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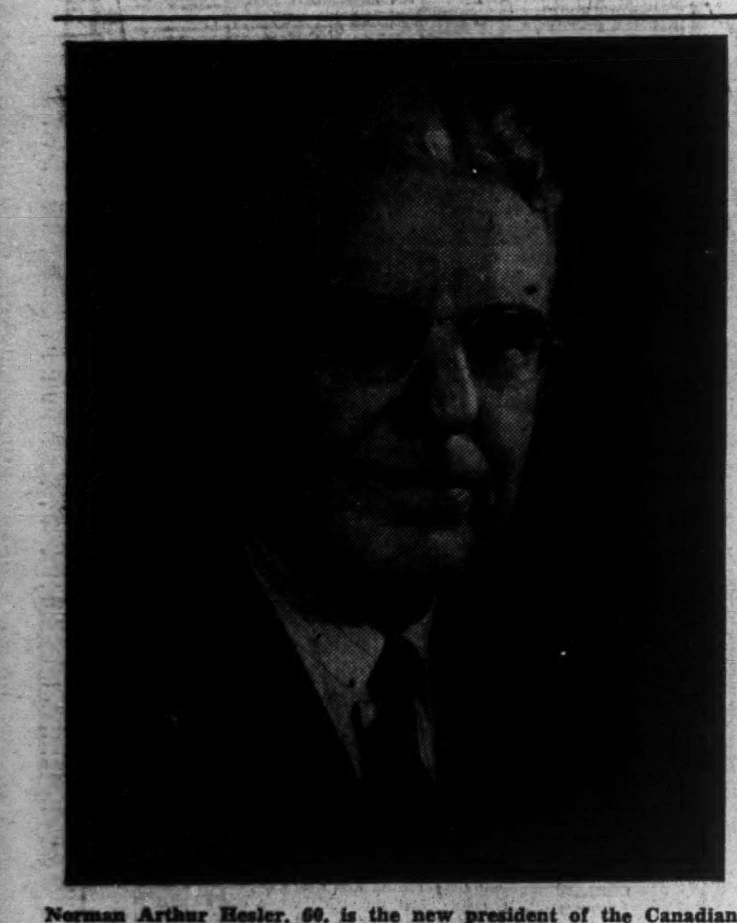
Manufacturers' Chief



Norman Arthur Hesler, 60, is the new president of the Canadian Manufacturers' Association, which in 49 years has grown from a membership of 132 to 6,268. Born in Humberstone, Ont., Mr. Hesler started his business career as an accountant. Now a resident of Sackville, N.B., he is president and managing director of Enamel & Heating Products Ltd.; president of Amherst Stove & Furnace Co.; a director of Bank of Canada and of Eastern Electric & Development Co., Sackville.

THE NATION'S BUSINESS

Are Critics Wrong About Sales Tax?

The widely criticized sales tax has a staunch defender in Professor J. L. McDougall of Queen's University. Speaking before the general meeting of the Canadian Manufacturers' Association in Toronto last week, Prof. McDougall suggested that the time has come for easing the burden of the income tax, particularly in the lower brackets, and for relying more on the sales tax.

As a tool for raising large sums of revenue during wartime the Queen's economist admitted that the income tax had many advantages. But now when the crying need is to produce more peacetime goods, he believes that this tool is liable to hinder recovery and encourage inflation. If applied rigorously at present rates, particularly to farmers and wage earners, he fears a sharp curtailment of badly needed production.

There is little encouragement for people to work harder and make more money if the government steps in and takes the extra earnings directly in taxes, argues Prof. McDougall. On the other hand even if certain goods are heavily taxed, people will work hard to earn enough money to buy those goods, because they have a choice as to how this extra money is to be spent, or whether it will be spent at all. Stated Prof. McDougall:

> "When exemptions were substantial, when the tax rates were low and when total tax collections were a lower percentage of the national income than they now are, the income tax had advantages which it is now in danger of losing. Aggregate income tax collected from people with incomes below $3,000 now exceeds that paid by those with $10,000 a year and over. This is not because they are taxed unduly, it is merely a reflection of the fact that there are so many of them.
>
> "A heavy income tax upon working people is a most powerful incentive not to work — or at least to work at things which will not produce taxable money income. This is a potentially dangerous situation as affecting wage workers in large organizations. It is immediately important in relation to farming. There is every appearance that if the Government makes a determined effort to enforce the present income tax upon farmers at anything approaching present rates it will (a) have a full-scale revolt on its hands, and (b) end by encouraging a drastic rearrangement of farm operations to reduce the tax burden."

Certainly we are not producing as freely or as much as we could and there is good reason to suspect that high taxes are partly responsible. And as for the resentment among farmers and wage earners against the present scale of income tax, again there is backing for Prof. McDougall's opinion.

And yet so long as present rates and exemptions are in force the government has no option about enforcing collection. Indeed salaried people and wage earners who have no escape whatever from paying the last farthing of income tax due, are not convinced that farmers and other self-employed groups are entirely playing the game. That situation is not a healthy one.

Prof. McDougall has given Mr. Abbott and other taxing authorities something to think about.

• • •

How Far British Recovery?

Canada has an immense stake in British recovery. Our country has demonstrated its recognition of that fact by its enormous gifts, loans and credits to the United Kingdom.

But because of this very great importance to Canada of British recovery, it is all the more important that we see clearly the facts of the British position.

Progress there is in most British industries. Looked at from the short-run and the internal position, the British economy is gaining some ground. But that progress is not as much as her well-wishers would hope for, and not as much as implied in some of the information British officialdom puts out.

Most serious of all: the foundations of Britain's economic position have been shaken by the drastic depletion of her foreign investments. Her external position is dire.

Whaley-Eaton of Washington currently quotes British studies delving for some hard facts about the U. K. economy.

These studies show that over-all British production today is only 2% higher than in 1937, "a year of reasonably good activity." But the number of workers employed in industry is 15% greater. Says Whaley-Eaton: "Clearly, production-per-man is down from prewar. What has been lost sight of completely is that wages are very much higher than in 1937. The real point is that production per unit of wages is down disastrously."

Disastrous is indeed the word for it because Britain's export costs will suffer so long as the will of Britishers to work and the pace of modernization of industry and of management techniques compare unfavorably with Britain's foreign competitors.

Clearly, the nationalization program has not helped Britain's recovery. Informed and candid opinion is unanimous that it has added delay and confusion to a war-weakened economy.

Under state ownership the price of British coal has increased about $1.37 per ton. Despite a big increase in mine mechanization, production per man-shift remains virtually the same as in 1937. Railroad fares and charges are up, and further increases are indicated. Gas and electricity rates are moving in the same direction. Losses on civil aviation have been enormous. Said Sir Francis Joseph, leading British industrialist: "Grouping these industries we find that, by comparison with results before nationalization, the country is poorer by $800 millions a year."

These are grim facts for Britishers — and for Canadians for whom Britain's restored prosperity is so important.

New Shipping Order 'Costly, Impractical'

Would Give Canadian Firms Faster Vessels, But Replacement Costs Said Prohibitive — Suggest Subsidy to Offset Extra Expense

By HOWARD GAMBLE

MONTREAL, (Staff) — Canadian shipping men would like to take advantage of the Dominion's new program to enable them to get new, faster ships, but high replacement costs are holding back many operators.

That's the chief reaction to Transport Minister Chevrier's program worked out by the Canadian Maritime Commission and approved by the Government.

Chief purpose of the replacement plan is to improve the Canadian fleet by enabling owners of ex-"Park" ships engaged in trades requiring faster or more specialized tonnage to sell these ships and use the proceeds in building suitable new tonnage.

Ship operators contacted by The Financial Post were unanimous in stating that the plan was ideal for improving the Merchant Marine. From the standpoint of their own operations, however, they believed that shipbuilding costs in Canada were too high at the present time to permit many companies to take advantage of the offer.

Some Ships Sold

J. V. Clyne, chairman of the Maritime Commission, tells The Financial Post, however, that several applications have been received from the ship owners and a number of foreign sales have already been concluded. It is understood that Montreal Shipping Co. has sold three of its ships at a reported price of $725,000 each. Federal Commerce & Navigation Co. is also said to have sold one or two of its vessels.

Principal conditions under which the commission recommends sales are:

(1) That the seller show that replacement will improve his service or operations and will be to the advantage of the Canadian shipping industry generally.

(2) That the seller discharge any mortgage indebtedness on the ship before sale.

(3) That the sale price of the ex-"Park" ship, terms, conditions of sale, and the purchaser be subject to the Commission's approval.

(4) That the sales proceeds be paid immediately into escrow to finance the building in Canada, within a period to be specified, of a replacement for the ship sold.

(5) That the plans of the new ship, terms and conditions for construction be subject to the commission's approval.

(6) That the new ship be subject to the same restriction that prohibited sale with transfer of registry of the Park ship.

May Modify Conditions

The Financial Post is told, however, that the commission will in some circumstances modify some of its requirements. If, for instance, the financial condition of the owner requires temporary withdrawal from escrow, applica-

(Continued on page 2 col. 3)

Ray of Hope For Settlement Of Rail Dispute

A bright ray of hope for peaceful settlement of Canada's threatened railway strike broke through the deadlock at midweek.

At Welland, Ont. for a political rally, Labor Minister Mitchell announced he was reconvening the two Conciliation Boards whose first recommendations were not acceptable to the unions.

Original union demand was 35c an hour increase. Both Conciliation boards, one for the 112,000 employees in the 18 International unions, the other for 28,000 in the Canadian Brotherhood of Railway Employees, recommended 7c.

Both recommendations were turned down and strike votes taken, the CBRE voting 99% in favor. At this point of deadlock, Labor Minister Mitchell stepped in personally as mediator.

It is generally believed that the unions would accept something in the neighborhood of a 10c raise which would fit into the third postwar wage pattern established in the steel and other industries.

By reconvening the Boards, some think Labor Minister Mitchell has in effect, endorsed the unions' arguments that they're entitled to something more than 7c.

Canadian Funds Aid U. K. Firms Locate Here?

Canada may soon be getting more British plants under an arrangement whereby Canadian financial organizations put up the money for the expenditures in this country.

Some deals under this arrangement have already gone through, The Financial Post understands, but Premier Drew of Ontario this week forecast that an important development of this nature would soon be announced by Confederation Life Association.

A British firm wanting to establish a branch plant in Canada but unable to get capital out of Britain for the purpose will borrow the necessary funds in Canada from an institution like an insurance company, through a mortgage or a bond or debenture issue. As security it will put funds to the Canadian company's credit in England.

Such deals must have the approval of the Bank of England which, it is understood, has rejected some proposals on the ground that a "flight of capital" was involved. Where it grants approval, the Bank of England, it is understood, undertakes to release sterling to repay the lending company should anything go wrong with the loan.

In the United States, insurance companies frequently build or buy industrial and commercial properties, then rent them on long-term leases. When and if this is permitted in Canada, the problem of financing British branch plants will be much simplified, because banks would look favorably on loans for such purposes.

Ont. Plant Makes Paper From Straw

THOROLD (Special) — Newsprint from straw — this unique paper-making development came a step closer to commercial reality in this Ontario paper manufacturing town this week.

At the Ontario Paper Co. plant, nearly 50 tons of paper partly made from straw were made. It was the first commercial tonnage produced with the new process. Development is still in the experimental stage.

The new technique was developed at the Peoria, Ill., laboratory of the United States Department of Agriculture. Successful production tests were carried out in conjunction with the Ontario Paper Co.

The experiment disclosed that while use of straw as a substitute for wood pulp raised newsprint costs somewhat it could be used advantageously in making higher grade papers.

Straw used in the test was bought from farmers in the Niagara district. If the process can be developed extensively on a commercial basis, it might open up rich markets for the U. S. mid-West and the Canadian Prairies.

This week's test batch of straw-paper came off the machines 200-in. wide at 1,100 ft. a minute. Proportion of straw fibre varied from 5%-15%. Engineers in charge of the test run said they thought it might be possible to increase the straw percentage to 25%.

Price Advertising Gets Six-Month Radio Probation

After Sept. 1, advertisers will be able to mention the price of their products over the air.

But, advises the CBC Board of Governors, they shouldn't count on this arrangement lasting indefinitely. It's only a six-month experiment. The situation will be reviewed at the end of that time. If the Board believes that the mention of prices on the air is "lowering the standards of broadcasting and is detrimental to radio listening," the prohibition will be re-imposed.

The Board's action in suspending Regulation 10 (B), which prohibits advertising of prices, follows representations from the Canadian Association of Broadcasters as well as from various independent stations.

Although a large number of broadcasters favored the move, the Board also received some pleas for retention of the regulation.

PRICES

Beef, for the fourth successive week, was climbing again. Cattle prices at midweek had reached yet another new high—$22.25 a hundredweight, a jump of $2 over last week's high.

This would mean, said the trade, another four to five cents a pound on choicer cuts, already hovering around the 60c mark.

And these prices may be expected to rise still higher yet during the balance of the month.

From then on expected release of the embargo on Canadian shipments of livestock and feed grains to the U.S. (see separate story this page) likely would offset any drop which might be expected to come from July's new offerings to the cattle market. The U.S. was experiencing a shortage of beef cattle which likely would last much longer than ours.

Elsewhere in foods as reported by Canadian Grocer (Maclean-Hunter) price movements were quiet:

Corn growers would be getting $5 a ton more for their canning crops bringing average price up to $22.

Australian raisins moved up approximately 50c a hundredweight.

Dried Bean market firmed as a result of buying by U.S. for ECA.

No benefit could be expected from sales tax removal in these items.

Magnesium extrusions produced by Dow Chemical Co. of Canada are down an average of 10%, by 15% in some heavier sections in more commonly used alloys.

Price reductions are a reflection of processing improvements and higher volume company announced.

Cotton prices began to take a dip in Britain. New prices for Egyptian cotton were down 40% to 25.9 pence a pound; Egyptian Ashouni's were down about 12% to 34.75 pence.

These reductions would bring prices more in line with what Canadian clothing men announced they could pay some six weeks ago when their purchases in Britain dropped considerably (The Financial Post, April 17).

Hint Canadair Soon to Build BOAC Planes

MONTREAL (Staff) — Hope that Canadair Ltd., Montreal aircraft manufacturer will get an order to build planes for British Overseas Airways Corp.. was revived this week. United Kingdom reports suggested that Britain may abandon its "buy at home" policy, and purchase some Canadian-built planes. Canadair President H. O. West states he has not received any official word on the subject.

These rumors follow closely the recent return to England of Whitney Straight, managing director of BOAC, who had been ill on this side of the Atlantic for a number of weeks. During this period it is understood that discussions involving the purchase of the "Canadair 4" planes had been largely suspended.

Other reports of personnel changes within the British Ministry of Supply and Civil Aviation are said to give credence to the possibility of a change in U.K. civil aviation policy.

One London report stated that the new policy is likely to be introduced "gently" at first, with one of the first steps likely to be an announcement that the U.K. Government is to buy the Canadian-made planes. Canadair has offered to sell these on pay-as-you-go basis to avoid a heavy drain on U.K. dollar resources.

While the U.K. Ministry of Supply and Civil Aviation denied that Britain intended to abandon its "Fly British" policy, there was no reported comment on the question of buying planes in Canada.

It is pointed out here that whether U.K. reports are correct or not, they are likely to bring out any last vestige of opposition to the purchase of Canadian planes. This, it is thought, will enable the Government to make a fair assessment of public sentiment on the matter. The "buy at home" policy was adopted to bolster the U.K. aircraft industry and for British aviation prestige, it is stated.

Patent and Combines Laws Clash in Optical Probe

Canadian and U. S. Companies Named in Report For Price-Fixing Claim Patent Rights Gave Them Control of Sales and Prices

OTTAWA (Staff) — For the first time, the Canadian courts may be called upon to reconcile the laws affecting combines with those affecting patents.

That emerges as the major fact of the combines report on optical goods released here this week.

It is the first case of a full dress report on the alleged misuse of patents. The Government has previously investigated such matters as the radio tube patent and licensing system at the manufacturer's level. But, in no previous case, has the Federal combines machinery produced a report based essentially on an argument over the use of a patent monopoly extended into the entire field of a wholesale and retail distribution.

In reporting to the Minister of Justice that, in his opinion, combines operating to the detriment of the public have existed in the optical goods industry, Combines Commissioner F. A. McGregor contends that in this industry there has been an improper use of patent monopoly for restraint of trade and for purposes not authorized under patent law.

He reports that, in marketing the patented products ("Numont," "Ful-Vue" mounts, etc.), the companies concerned attached conditions to the licenses which affected price and distribution in a manner detrimental to the public interest.

Commissioner McGregor notes: "There can be little doubt that restrictive arrangements such as those discussed in this report would be clearly contrary to the Combines Investigation Act if no patents were involved."

Argument for the Defence

The principal parties argued that their sales and price maintenance plan constituted merely a proper exercise of patent rights. It was further argued that the companies holding these patents, acting separately under their exclusive patent rights, could have kept to themselves the manufacture of the inventions and sell them direct to consumers at any prices they chose. Instead, it was argued, they granted licenses to others to manufacture and sell to the public, thus widening the market and making their patented products more widely available.

Issuance of the Combines Commissioner's report has not been affected directly by the important Barlow judgment which challenged a particular form of presenting evidence in the case of the Combines prosecutions (dental supplies) in Toronto. This case is now before the higher courts and is due to be heard at the fall assizes.

Presumably, while this appeal is pending, any minister of justice or provincial attorney-general might be wary of bringing the companies named in the present report into court—unless they were sure that the evidence could be produced in a form different to that challenged by Mr. Justice Barlow in Toronto.

The point about the present report is that it is merely a statement of certain alleged situations as provided for under the Combines Investigation Act. It does not attempt to make any prosecutions; that comes at a later stage.

As pointed out in the present report, the Attorney-General of Canada took action against an almost similar group of companies

(Continued on page 3, col. 1)

Newfoundland Report June 26

The Financial Post's Report on Newfoundland, scheduled for this issue, has been postponed until the issue of June 26 in order that The Post may carry at that time an analysis of the effect of the referendum being conducted this week on the Island's future form of government.

Pace of Business

Canadian stock markets showed slightly easier tone in latest period. Golds dropped three points (TSE index) but other groups recorded only extremely narrow changes. At midweek, New York market a little stronger but Canadian stocks did not respond immediately.

Motor vehicle financing showed major gain in April. Total of 16,344 units financed for $14,954,100 volume (10,892 units for $9,745,485 a year before).

Fish landings in April showed almost $700,000 gain at $2,378,000, over April, 1947. Total for first four months: $8,045,000 vs. $5,293,000 for same 1947 period.

Wholesale commodity prices moved up 1.6 index points to 148.5 in April (123.3, April, 1947), DBS reports. All eight main subgroups registered advances over March; iron products and nonferrous metals showed greatest changes.

Car loadings for the week ended May 22 totaled 76,665 cars, off 793 from preceding week but 5,533 or 7.8% above corresponding week of last year, which ended on May 24 holiday.

Zinc output in March showed a 6% gain over February at 17,527 tons (16,963 tons, March, 1947).

Canadian sawn lumber showed a 3.6% increase of 409,652 M feet board measure in March, over same 1947 month.

More plain & fancy biscuits were turned out in first quarter of 1948—25,618,337 lb. vs. 22,275,739 lb. in same 1947 period. Output of soda biscuits was off nearly 15% at 12,355,168 lb.

Flour production moved lower in April at 1,955,132 bbls. (2,399,074 bbls., April, 1947):

Savings deposits increased over $24 millions to a record $3,951 millions in April ($3,774 millions total, April, 1947). Call loans jumped nearly $11 millions to $75.5 millions.

What Beef Price As Embargo Off?

U. S. Market Probabilities Likely to be Deciding Factor for Shippers — Will U. K. Switch From Beef to More Bacon?

BY KENNETH R. WILSON

OTTAWA (Staff)—Some time between the Ontario election and the Saskatchewan election, the Government will remove all embargos on the export of livestock, livestock products and feed grains to the United States. This major move won't be before the Ontario election because of the possible adverse effect of higher grain prices. It certainly will be before the farmers of Saskatchewan go to the polls.

One practical difficulty in the timing of this announcement is the fact that Mr. Gardiner is reported to be attempting a deal with the United Kingdom whereby the remaining U. K. commitment on beef is transferred to bacon. Once the U. S. market is opened, there will be no chance of Canadian beef going to the United Kingdom. Our shipments, so far, have been 15 to 16 million pounds on a 50-million-pound contract. This leaves about $8 millions of "market" that won't be used.

Against this, the British have indicated quite clearly that they aren't prepared to buy anything more than their minimum commitment of 195 million pounds of bacon. At present rate of deliveries there probably will be about 160 to 270 million pounds of bacon available—a difference of at least $20 millions and representing about 60 or 70 million pounds of bacon for which Mr. Gardiner will have to find a market, if the British stick to their present intentions. If Mr. Gardiner could get United Kingdom to use their unexpended $8 millions on the beef contract for bacon, it would look after about a quarter of his projected "surplus."

What will it do to prices?

Currently, beef prices are rising in Canada in anticipation of removal of the embargo. An earlier Canadian price of $18.75-$20 cwt has been moving up toward the Chicago price of $33-$35 cwt.

Beef prices have been running about a third higher in United States than in Canada, but pork prices are nearly comparable. Canadian hog producers would probably net less for their porkers in the U. S. at the present time than by marketing them at home.

Whether Canadian beef prices will rise by the full amount of the present gap remains to be seen. There will probably be some switching of consumer buying from higher-priced beef to lower-priced beef. This in turn may have some influence in leveling off the inevitable and long-deferred upswing in beef prices.

Just what volume of cattle will move into the United States once the embargoes are lifted will probably depend on Canadian cattle producers' views as to price probabilities in the U. S. market.

If the industry anticipates that prices will remain at good levels throughout the year there would

(Continued on page 3, col. 5)

Inside News

If You're Visiting U. K. —

England, despite its austerity regime, offers many attractions to the Canadian visitor—but also, more than a few problems. It is wise, for instance, to ship yourself food parcels in advance, if you are planning such a trip. M. R. Chipman, Montreal manager of the Maclean-Hunter Publishing Company Limited, now overseas, offers travel tips to others (p 7).

Tie Wages, Living Costs?

Should wages be tied to the cost-of-living index in Canada, on the same basis which General Motors has adopted in the United States? Canadians answering a Financial Post questionnaire on the subject, give strong arguments pro and con; show a fairly even and fairly definite division of opinion (p 10).

Leduc—and Canada

How will the Leduc oil discovery, described as "the outstanding economic event of 1947 in Canada," affect the Dominion's economy; how far will it go toward making Canada self-sufficient in oil? An interim stock-taking shows some very definite economic assets already piling up. The Financial Post's mining editor reports (p 13).

Is Bear Market Ended?

Is the bear market which began in June, 1946, ended? Compton's investment manager reminds that it must sometime and for the present he counsels a "stand pat" policy, neither buying additional stocks nor selling any now held. Managed Investment (p 5).

'New Look' Merchandising

What is the new "super-look" doing to the retail food business? In addition to streamlining merchandising methods, and making shopping conditions more attractive, it is driving an increasing number of independent stores into the "self-serve" field, and encouraging the formation of independent chain groups. The Financial Post analyzes the trend (p 8).

How About Atom Energy?

What is industry doing toward utilization of atomic radiant energy? What is the state of Canada's military preparedness on the industrial front? These, and related questions, were discussed and answered by industry and government officials, at a round-table gathering at the CMA annual convention. The Financial Post summarizes the answers given (p 19).

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Fine Papers Face Second Price Boost

MONTREAL (Staff)—A second round of price increases for fine paper in a little more than two months is indicated by the announcement of Howard Smith Paper Mills that another general price increase has gone into effect May 26. (The previous increase was made March 15). Over-all, the company states that prices have been advanced $4 to $9 a ton, depending on grade of paper.

Eddy Paper Co. states that its prices have not been increased so far. A company official said, however, that with the continuing upward trend in costs, the company may be forced to look into the matter soon. Rolland Paper Co., manufacturer of high-grade rag bond and writing papers, states that it has not increased its prices and is not planning to do so.

Provincial Paper Co. states that it has not given any consideration to any new price increase and does not expect to do so for at least another ten days or two weeks or until they have results of operations for the month of May.

Increased wage and freight rates are said to be the primary reasons for the latest increases. Howard Smith Paper Mills and Eddy Paper recently concluded wage negotiations calling for an across-the-board 10% wage increase for Ontario millworkers. Howard Smith stated that this was adding $325,000 to its wage bill. This company also concluded an agreement with National Syndicate of Pulp and Paper Workers this week, which also calls for a 10% wage boost.

A spokesman for Howard Smith states that the price increases on some grades of paper represent a revision in differentials. This applies particularly to the high-grade rag papers, which sell around $600 to $800 a ton. On these grades the increase will be around $4 a ton, it is stated. On $300 per ton grade, the increase may be $7 to $9 a ton.

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Gross Income $15 Billions Canada's Prospect for 1948

OTTAWA (Staff)—A gross national income for Canada of $15 billions in 1948, was forecast this week by Rt. Hon. C. D. Howe, Minister of Trade and Commerce to the Industrial Development Board of Manitoba.

This figure, if reached, would be $1.8 billions, or 14% greater that the $13,165 millions estimated in preliminary form for 1947. Comparable figures for earlier years on the new series now being used by the Dominion Bureau of Statistics are:

	Gross National Product (in millions of dollars)	National Income
1938	5,141	3,972
1939	5,581	4,274
1940	6,740	5,236
1941	8,403	6,544
1942	10,487	8,273
1943	11,244	8,941
1944	11,820	9,596
1945	11,614	9,644
1946	11,613	9,550
1947	13,165*	10,820*
1948	15,000†	12,300†

* Preliminaries
† Speculative estimate

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Excellent references, interviews could be arranged.

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A-28

$12 Million Sulphate Mill For Vanc. Isle

From Our Own Correspondent

VANCOUVER — Fourth pulp mill planned in British Columbia within the last year, the new $12 million bleached sulphate pulp mill of H. R. MacMillan Export Co. will be built on the east coast of Vancouver Island.

Foundation work on the site, which is on Northumberland Strait, about four and a half miles from Nanaimo by water, will start soon, and the mill is expected to be finished early in 1950. It will use only chips and wood waste from MacMillan operations on Vancouver Island and the Fraser River.

A forest management license, the second in B. C., has been granted to Canadian Western Timber Co., which is now going ahead with plans to construct a $25 million pulp mill at Duncan Bay, on the east coast of the Island, but farther north. The other forest management license was granted to Celanese Corp. for its new mill at Port Edwards, near Prince Rupert.

H. J. Mackin, president of Canadian Western, said his company will use waste wood, and also pulpwood from regenerated lands on which the company has been experimenting.

Until enough pulpwood from the new forest management license area reaches proper cutting growth in about 25 years, the mill will use supplies from relogging, cutting marginal stands of small timber unsuitable for saw logs; and from mill waste in the firm's present operations, as well as others.

Orders already totaling more than $3 millions have been placed by the MacMillan Co. for machinery, equipment and materials. About 95% of the total cost will be represented by contracts and equipment orders placed with Canadian firms, the company reports.

The mill will employ more than 200 persons at the outset.

New Ship Plan Is Too Costly?

(Continued from page 1)

tions for that purpose will be considered, subject to repayment.

Many ship owners tell The Post that they do not feel they can afford to take advantage of the program. They admit they need faster ships to meet foreign competition but they say the increased speed of the new ships would not be sufficient to offset the higher Canadian shipbuilding costs. Here is how one ship owner explains it:

"I could probably sell my Park ship today for about $700,000. To purchase a new ship in Canada would cost me about $3 millions. My present vessel with a speed of about 10½ knots can do a round-the-world trip in approximately 6½ months. A new ship with a speed of 15 knots would cut only about one month off that time. In other words a new ship is about 43% faster than my present one. Therefore on this basis I should only have to sell two of my Park ships to pay for one new one if I am to come close to improving my net position. Actually, however, I would have to sell four of my present vessels to pay for one new one."

Government Subsidy?

One operator thought a possible solution to the problem might be for the Government to subsidize the operators for the difference between Canadian and European shipbuilding costs. It is claimed that a $3 millions Canadian ship would cost about $1.5 millions, or one half, in United Kingdom or Europe. This latter figure would just about work out to two old ships for one new, at present market prices.

Here's Detail Dollar Quotas Stoves, Etc.

OTTAWA (Staff)—Details are now available as to U. S.-dollar allotment for commodities such as stoves, irons, ranges, hot plates, etc., which come under import control on June 5 (The Financial Post, May 29).

The base year will be the 12 months ending Oct. 31, 1948. Allotments will be worked out in all cases but one, so as to give the Canadian manufacturer 100% of the dollar cost of his parts importations during the base period. As well, there will be a U. S. dollar incentive quota of roughly two-for-one where 1948 exports exceed those of the base year. Quotas will be made retroactive to Jan. 1, 1948.

In the case of electric stoves of 35 amperes or over, the average imported content has been worked out for the industry as a whole at $17.13 per unit. Using this average cost for imported parts, the dollar allotment for the industry can be found by multiplying the figure of $17.13 by the number of units imported in the base year by 100%. Where the manufacturer does an export business in 1948 that exceeds his exports in the base period, he earns the right to a dollar allotment of roughly twice the amount he is given for domestic sales.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Association of Operative Millers—R. W. Bouskill (Winnipeg), president.

Aroostook Valley Railroad—T. C. Macnabb (Saint John), president.

Associated Telephone & Telegraph Co.—A. S. Torrey (Montreal) a director.

Alberta General Insurance Co.—R. W. Danby (Edmonton), chairman of board; R. R. Moore, J. E. Hart, directors.

Aluminum Co. of Canada—J. B. White, a vice-president.

Bank of Montreal — Geo. W. Bourke, a director.

Burlington Steel Co. — H. H. Leather, a director.

Bank of Nova Scotia — T. A. Boyles, supervisor of branches (Toronto).

Canadian Bank of Commerce — Geo. S. Unwin, manager Ottawa main branch; Kenneth H. Copland, assistant manager, Montreal main branch.

Canadian Wine Institute—A. G. Sampson (Toronto), president.

Canada Malting Co. (Toronto)—Eric S. Clarke, president and managing director; Carr Hatch, vice-president in charge of sales.

Canadian Pacific Express Co. — S. McMahon, general manager (Toronto).

Canada Wire & Cable Co. — L. G. Lumbers, general sales manager; T. A. Glass, assistant to general manager.

Canadian National Railways — H. W. Wreford, electrical superintendent, St. Clair tunnel; Ralph T. Sansom, regional signal engineer, Moncton.

Cresswell Roll Forming Co. — H. John Racey (Montreal), president and managing director; Chas. M. Kinghorn, director and vice-president.

Donnacona Paper Co.—Arthur O. Ponder, Aubrey Crabtree, directors.

Dominion Bank—E. R. Cameron, western superintendent; Cormack Smith, western supervisor (Winnipeg).

General Accountants' Association (Vancouver Chapter)—C. L. Davenport, chairman; J. Carew-Gibson, vice-chairman.

Gordon Mackay & Co. (Toronto)—W. B. Woods, chairman of board; W. I. Walker, president.

Hammond Furniture Co. (Vancouver) — Geo R. Metcalfe, managing director.

Household Finance Corp. of Canada (Toronto) — Miss B. Lucille Bridges, field representative.

Hudson's Bay Oil & Gas Co. — R. C. Brown (Denver), vice-president, general manager and a director.

Imperial Oil Ltd—J. Ernest Akitt, manager, Manitoba marketing division; A. A. Turner, manager, Saskatchewan division.

Imperial Life Assurance Co. — Geoffrey Stubington, a director.

Institute of Internal Auditors Inc. (Toronto Chapter) — H. R. Wood, president; F. Allan Douglas, vice-president; E. Paterson, treasurer; Robert C. Baird, secretary.

Lakeside Milling Co.—John N. Campbell, vice-president.

Martin-Senour Co. — T. Fraser Milton, sales manager, Quebec division.

Manitoba Government—Howard B. Sommerfeld, chairman Assessment Equalization and Appeal Board.

Montreal Board of Trade — John H. Molson, president; L. W. Haslett, J. B. Stirling, vice-presidents; I. H. Eakin, treasurer.

New Dawn Productions Ltd. — Chas. W. Cook, president and managing director.

Quebec Association for Prevention of Industrial Accidents—Albert Deschamps (Montreal), president.

Royal Trust Co.—Walter Archer, assistant manager, Toronto branch.

Shipping Federation of Canada—E. P. Rees (Montreal), president.

Frank C. Simonite & Co. (Winnipeg) — Thos. Dickson, manager, insurance department.

N. Slater Co. (Hamilton)—Edward Garside, comptroller.

Travelers Insurance Co. — W. M. McPherson, Cecil Henry Robinson, Toronto district agent.

U. K. Auto Gets Premiere At Fair; Plan Plant Here

A new British car made its bow to the world at the Trade Fair this week, while its manufacturers got down to planning a branch plant here for future production of this and other models for the Canadian market.

Known as the Sunbeam-Talbot 90 sports saloon, this new car incorporates several features of design far removed from traditional British lines.

A sleek low-slung job, it incorporates an air-conditioning, heating unit; the gear shift (unlike most British models) is fitted to the steering column; it has the flowing streamline body comparable to the latest in North American design. But it's around 15% smaller than most of the latest medium-price models produced here.

The price: $3,894 laid down in Montreal.

Its makers are Rootes Ltd., of England, who have just opened an office in Toronto. The organization is one of the largest in Britain and besides the Sunbeam-Talbot produces the better-known Hillman of which two models, "saloon" and "coupe," are on show.

The saloon — a four-door, four-seater of the small type British car is in the $1,800-$2,000 price range. It has a 10 (British) hp. engine.

The Sunbeam-Talbot, for the extra $2,000, offers much more in the way of custom-built features with a more powerful (14 hp.) engine.

Similar economy of operation is offered: 30-35 miles to the gallon is claimed.

Cruising speed is stated at 65-70 mph. with an all-out speed of 75-80 mph.

Hope to Sell 250 Monthly

Sir William Rootes, chairman of the Rootes group, told The Financial Post he's looking for sales here for the present of 250 a month of his cars.

Currently the group is concentrating more on ensuring a country-wide servicing and spares setup rather than on pushing sales. Providing Canadian response to the Hillman and Sunbeam-Talbots warrants it by then, the group expects to set up a plant here in about 18 months.

Selected Canadian personnel are being sent to England for training in the group to fit them for taking over key jobs in the Canadian plant when it is set up. For a start jobs for 700 will be provided, Sir William states.

The Canadian setup will provide the last major link in a worldwide network of sales agencies and manufacturing plants for the Rootes group which Sir William states is one of the largest industrial organizations in Britain still retaining its identity as a private company.

Other U. K. Firms Interested

Rootes is one of 30 British firms who have made definite moves in the last few months to set up shop here. Among the others are producers of primary and secondary textiles, food products, plastics and light engineering firms.

In some cases these firms are overcoming dollar difficulties by first establishing a manufacturing connection with Canadian opposite numbers who have agreed to produce until such time as a sufficiently large dollar fund has been secured; in other cases the British firms have been able to supply personnel, machines and goodwill in exchange for plant facilities.

As a result of interest aroused in the Canadian market and the possibilities of manufacturing here more economically for export, trade officials at the Fair expect many more enquiries from British firms along similar lines.

Canada Envoy Goes Overseas To Assist ECA

OTTAWA (Staff) — Sydney D. Pierce, Canadian Ambassador to Mexico, is to be given temporary leave of absence to visit Europe in connection with the European Recovery Program.

He is not likely to remain in Europe indefinitely, but has been temporarily detached from his Mexican responsibilities, to enable him to be of assistance in establishment of European connections for Canada under the ECA program.

At the moment there is considerable uncertainty as to what proportion of ECA administration will be concentrated in Europe and how much in Washington. The United States has named W. Averell Harriman as its roving ambassador in Europe and as European liaison for Paul Hoffmann, head of ECA. Naming of Mr. Harriman for such a post indicates the importance which U. S. authorities attach to the European end of the program.

Canadian enquiries have also been cautioned that ECA is not an American-buying program in the sense of wartime administrations, which placed huge orders for material directly among suppliers in the United States. In this case, buying is to be by the Europeans themselves, under certain conditions. The Washington authority merely enters into the picture as auditing the bills for eventual payment out of congressional funds.

Mr. Pierce was chief of the Economic Division of the Department of External Affairs before he was named to Mexico last summer. During the war he served as Director-General of the Department of Munitions and Supply, at Washington, and later headed the External Trade Advisory Committee in Ottawa.

Salmon Fishing Island Offered by War Assets

An 11-acre, partly wooded island near Chatham, N.B., and the mouth of the salmon-famous Miramichi River is being put on the market by War Assets Corp., Montreal. The property, known as Middle Island, has been Dominion Government-owned for 75 years.

For Sale
SWISS INVENTION
for manufacturing a new method of laminated skiis. Tested and on sale in Switzerland. Excellent opportunity for progressive firm or lumber company with minimum capital of $50,000.00. Patent pending. For inquiry please write Box 282, The Financial Post, 481 University Avenue, Toronto.

NRC Moves to Bridge Gap, Spread Research Benefits

OTTAWA (Staff) — National Research Council of Canada is taking two important steps to bridge the gap between its own research efforts and Canadian business.

1. A Crown company, Canadian Patents & Development Ltd., has been formed to exploit, merchandise or administer government patents.

2. A two-day conference will be held this fall to demonstrate to business the uses and importance of isotopes in tracer and other commercial operations.

Head of the new crown company will be E. R. Birchard, vice-president of N.R.C. and former motor vehicles controller in Munitions and Supply. On his board of directors will be J. C. MacFarlane, vice-president of C.G.E.; V. W. Scully, Deputy Minister of National Revenue; Brig. F. C. Wallace, executive vice-president of Smith & Stone of Georgetown, Ont., Dean C. J. Mackenzie, president of N.R.C. G. W. MacDonald, a New Brunswick barrister, will be secretary-treasurer.

What New Body Will Do

Aim of this corporation will be to channel to industry as quickly as possible, new inventions or patented processes developed by the Government's research facilities. Since about 75% of all research is presently under government auspices, the importance of this development is obvious. The new company will also be the custodian of former enemy patents. It may also become a clearing house under royalty arrangement for much of the work done in Canadian universities and which can be patented. It was felt that the N.R.C. itself was not equipped or competent to make important decisions affecting the disposition of government inventions and that a representative body independent in operation but responsible to the Government through N.R.C. would be a better vehicle.

To date the Government controls some 20 or more patents which will be turned over immediately to the new Crown company. These include the patent on the Pidgeon magnesium process and patents on a process for production of magnesite, the licensing of the Stedman distillation column, etc. Other patents with a commercial usefulness include the "nitraprills" invention for putting fertilizer into pellets so that it doesn't harden; a propeller deicer; a wax for plucking pinfeathers out of poultry, humidity controls for refrigerated space, etc.

Atlas Steels Earnings Up Stock Offered

Earnings of Atlas Steels Ltd., Welland, Ont., indicate a net profit, after provision for depreciation and income taxes, of $445,527, President R. H. Davis states in a prospectus covering an offering of common shares. This is 22.9% higher than the comparable figure of $362,584 for the same period in 1947. Earnings are equal to 53.5c on each of the outstanding 834,425 common shares, (43.5c in previous year). Earnings for the whole year 1947 were equal to $1.19 a share.

An offering of 140,000 no par value common shares of Atlas Steels is being made at $13 net a share, to yield 7.69% on the basis of the present dividend rate of $1 a share a year, by Nesbitt, Thomson & Co., W. C. Pitfield & Co., and Cochran, Murray & Co., and Fairclough & Co. These shares are made available by present shareholders and are being liquidated for estate purposes, so that proceeds do not go to the company, it is stated.

No material change in management is contemplated arising from the sale of the shares offered, Mr. Davis states.

Net working capital amounted to $5,071,206 at April 30, 1948, Mr. Davis states. ($4,618,148 at Dec. 31, 1947).

The company's domestic business is continuing to expand and in 1947 business was done through 53 of the company's 55 foreign agencies, Mr. Davis states. About two-thirds of the company's products are sold in Canada, the balance being placed through the export department.

HAVE YOU A PROBLEM servicing the Niagara Peninsula with your product or service? Could you use office—warehouse—dispatching or delivery service?

Responsible firm in St. Catharines, Ont., open to discuss propositions in confidence.

BOX 291, THE FINANCIAL POST, TORONTO

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

POSITIONS WANTED

EXECUTIVE ASSISTANT OR ACCOUNTANT

EXCELLENT EXPERIENCE manufacturing, chain stores, stock brokers and insurance. Desires post with real scope and prospects. Box 199, The Financial Post, Toronto.

OFFICE EXECUTIVE AVAILABLE, Certified General Accountant, Degree CGA. Experienced as Office Manager, Secretary, Accountant, Cost Accountant, Income Tax, with Motor Car, Construction, Bakery, and Financial Industries. Now Employed Branch Manager Financial Institution Western Canada. Accept position any part Canada. Box 270, The Financial Post, Toronto.

PRODUCTION OR PRODUCT WORK

UNIVERSITY GRADUATE, 42, considerable business and semi-technical experience, seeks position in production work or product development on recommendation of management engineers, based on thorough aptitude and personality tests. Box No. 285, The Financial Post, Toronto 2, Ontario.

ACCOUNTANT DESIRES POSITION OF RESPONSIBILITY

QUALIFIED CHARTERED secretary and accountant, also fully qualified in costing. Age 38, experienced in all phases of General and Cost Accounting, Finance and Office Management. Able to take complete charge of General or Cost Accounting requirements for the most complex organization. Presently with Firm of chartered accountants but desirous of discontinuing professional practice. Box 189, The Financial Post, Toronto 2.

BUSINESS AND FACTORY executive, experienced, bilingual and foreign languages, knowledge of world markets, available for responsible position in industry or export trade. Please write Box 280, The Financial Post, Toronto 2.

YOUNG SCOTTISH general Accountant and Cost Accountant, Bachelor of Commerce London University, Associate of the Institute of Cost and Works Accountants (England) with 12 years' successful experience in commerce and industry, requires job immediately offering scope for drive and initiative. Highest references. Box 283, The Financial Post, Toronto.

POSITIONS AVAILABLE

FIRM OF CHARTERED ACCOUNTANTS in Toronto has opening for recent graduate. Prospects for advancement good. Applicants are requested to state age, qualifications, experience and salary required. Applications will be treated in confidence. Box 242, The Financial Post, Toronto.

EXPERIENCED SALESMAN, bilingual, wanted to sell industrial bonds and shares. Submit resume Box 274, The Financial Post, Toronto 2, Ont.

Town Manager Requested

MALARTIC, ABITIBI (Population 5,300). Desires a civil engineer with good references, sober and bilingual. Salary $3,200.00 to $4,000.00. Send Applications to L. D. Hamelin, Mayor, P.O. Box 386, Malartic, Que.

AGENCIES WANTED

DISTRIBUTOR OF Radio and electronic parts and equipment in Niagara Peninsula, calling on retail trade and factories, desires additional lines preferably not allied. Box 290, The Financial Post, Toronto 2, Ont.

AGENCIES WANTED

WELL-CONNECTED Eastern Quebec selling organization wishes to secure distributing on additional lines of household appliances. Best of references. Box No. 267. The Financial Post, Toronto 2.

BUSINESS OPPORTUNITIES

FOR SALE

GREENHOUSES 10,000 feet of glass and cold frames. Owner selling due to health. This is a well-established business in both retail and wholesale and in a good residential part of Winnipeg, Manitoba. Hot water heating. Three boilers stoker fed. Bulb houses. Est. since 1925. For further information apply Box 279, The Financial Post, Toronto 2, Ontario.

Back Again In Canada!
Famous English
"Lincoln Bennett" Hats
$13.50 and $15

It's the first arrival in years of these fine English fur felt hats by famous "Lincoln Bennett" . . . handsome, distinctive hats that are headed for success with Canadian men! The workmanship is of typical English quality . . . careful, exacting! Choose from raw-edge, bound-brim or homburg styles. Available in the season's popular colors . . . medium or light grey, dark or medium brown. Sizes 6⅝ to 7½. Featherweight or zephyr models each $13.50. Standard weight each $15.

Simpson's
TORONTO

The Store for Men — Street Floor

No Iron Curtain - - If Buying

"Business as Usual" Czech Motto at Fair

What's the score on doing business behind the iron curtain?

Latest to fold the curtain around itself, Czechoslovakia, has an impressive number of its producers and traders exhibiting at the Trade Fair.

And so far, in regard to the Czechs, there's no difficulty about doing business: if you're buying, that is.

Several of the Czech exhibitors to whom The Financial Post talked this week summed it up this way: "Like everyone else we can find a use for dollars — why should we turn them away if they're available? And talking of iron curtains your import restrictions form a pretty effective one for many of the products we have to offer."

Most of these exhibitors had already contracted to exhibit at the Fair before last February's change of regime.

How did that switch affect them?

"We were all nationalized. Instead of owners we became managers for the state. That's all—except that prices on some merchandise — notably costume jewelry and other luxury lines — went up by around 30% as a result of new taxes on those producing them. We're still selling wherever we can, still producing. Delivery dates are firm and there are no restrictions that weren't there before."

Buyers at the Fair—Canadians, Americans, South Africans — who've had long dealings with Czechoslovakia confirmed that apart from the price rise it was business as usual with Czechoslovakia. So far.

At the same time, however, Ottawa has yet to announce tariff reductions on Czech goods as a result of Czechoslovakia's acceptance of the Geneva agreements.

And little interest is being shown by Czechoslovakia to increase her buying here.

Patent and Combines Laws Conflict in Optical Probe

(Continued from page 1)

in 1943 to have the basic patents impeached or declared invalid on technical grounds (the basic patent underlying the plan expired October 25, 1945). At the time, such action was considered a quicker and more effective way of remedying the alleged malpractice. Two of the seven patents were declared by the courts to be "wholly invalid and void" on Nov. 6, 1947, but most of the cases are still dragging through the courts.

Finding of the Report

A résumé released with the Commissioner's full report states in part:

The report finds that American Optical Co. of Southbridge, Mass., and its Canadian subsidiary, Consolidated Optical Co. Ltd., of Toronto, have substantially controlled the optical goods trade throughout Canada to the detriment of the public. Consolidated Optical, which is both a manufacturer and wholesaler of optical goods, is now known as American Optical Co. Canada Ltd.

Consolidated Optical and 25 other wholesalers in all parts of Canada—together with American Optical Co. itself and another subsidiary, Numont Ful-Vue Corp., are also alleged to have been party to combinations operating against the public interest. Numont Ful-Vue Corp., with head office in Southbridge, Mass., and Canadian office in Toronto, is a firm created to administer and enforce certain licensing arrangements based on patents on a number of features used in spectacle frames and mountings (representing 60% of those sold in Canada in 1939).

The Commissioner's statement says the licenses:

a. Required the observance, at each stage of distribution, of minimum prices, not only for the frames and mountings, but also for completed spectacles as well as for lenses and other parts assembled with them.

b. Decreed, under schedules issued by Numont Ful-Vue Corp. and American Optical, from whom wholesalers and retailers could buy patented merchandise and to whom they and the manufacturers could sell.

These arrangements, it is charged, were strictly enforced and action by court injunction or license cancellation was threatened when such action was considered necessary to have prices maintained—a threat sufficient in most cases to ensure compliance.

Set 90% of Prices

These license controls in Canada were described as "closely co-ordinated" with American Optical Company's control of manufacture in the United States under corresponding American patents. As a result, minimum prices of over 90% of the spectacle frames and mountings sold to Canadian wholesalers by other United States manufacturers were set up by American Optical.

Among lense manufacturers, the largest Canadian wholesaler and manufacturer is Imperial Optical Co. of Toronto. Prior to 1939, the report states, intense price competition existed among Canadian wholesalers in the sale of the most common type of lens. This competition was gradually reduced until, by the end of 1946, it is said to have virtually disappeared.

Imperial Optical Co. of Toronto is stated by the report to have been a strong supporter of the patent licensing plan, although a reluctant entrant to it in the first instance, and to have been, both as manufacturer and wholesaler, an outstanding participant in the restrictive lens arrangements.

Named with Imperial Optical are three associated companies: National Optical Co., Montreal; Imperial Optical Co. (New Brunswick); and Imperial Optical of Nova Scotia Limited. Both American Optical and Imperial Optical have branches from coast to coast.

Bausch & Lomb Optical Co. of Toronto, the Canadian subsidiary of Bausch & Lomb Optical Co., Rochester, N.Y., is stated to have strongly favored the licensing plan and to have participated fully in it.

Other wholesalers named as participating, with greatly varying degrees of enthusiasm, in some or all phases of the various combinations are:

Boyles Optical Co., Charlottetown, P.E.I. (inactive 1942-1946).
George F. Brodie Optical Supplies, Toronto (since March, 1946 only).
Butler Optical Co., Montreal.
Canadian Optical Service Co. Ltd., Quebec, Que.
Champlain Optical Co. Reg'd, Quebec, Que.
Commercial Optical Co., Montreal (including Colonial Optical Co., Toronto, Ottawa and Three Rivers).
Garnett Optical Co. Ltd., Halifax (since 1945 only).
General Optical Co., Montreal (since 1945 only).
H. & M. Optical Laboratory, Vancouver (with branches at New Westminster, Calgary and Edmonton).
Kahn Optical Co. Ltd., Toronto (with branches in Montreal, Kitchener, London, Winnipeg and Calgary).
K. & W. Optical Co., Kitchener, Ont.
L'Optique Laviolette, Three Rivers, Que.
Maritime Optical Company Limited, Quebec, Que.
Monarch Optical Manufacturers Limited, Toronto.
Premier Optical Company, Saskatoon, Sask. (formerly Prince Albert, where business was started in 1944).
Sterling Optical Co. Ltd., Toronto.
United Optical Reg'd, Sherbrooke, Que.

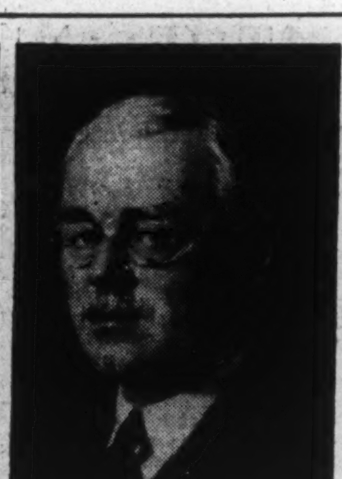
The report also names as participants Central Optical Co. of Montreal, acquired by Bausch & Lomb in 1944, and Regal Optical Co. Ltd., in business in Toronto prior to 1947.

Effect on Prices

The report declares that not only did the various restrictive arrangements substantially limit competition at the manufacturing and wholesale levels for both frames and lenses, but also contributed materially to maintenance of conditions at the retail level under which consumers lost much of the protection afforded them by active price competition. The patent licenses issued by Numont Ful-Vue Corporation to optometrists and opticians required them to charge not less than $15 for patented Numont mountings fitted with single-vision lenses, the total cost of which was $5.80. The minimum price at which retailers were permitted to sell such lenses alone when fitted to Numont mountings was $5 a pair, and the minimum cost was $1.65 a pair, although the cost of some lenses of higher powers was considerably higher. A minimum retail price of $10 was set for Ful-Vue plastic spectacles (complete with lenses) which cost $4.20 in 1946.

Actual retail prices charged in 1947 were found to vary widely between regions and between retailers. Services supplied also varied widely, from the mere filling of prescriptions to the complete eye examination and other services given by optometrists. Prices up to and exceeding $20 were being paid by consumers for complete spectacles of these types.

The Commissioner reported that the establishment of minimum prices prior to that time, together with the lack of wholesale price competition, had exerted an important influence on the retail price structure. Special reference was made to "rebating" by certain wholesale and retail opticians to some doctors of part of the retail prices paid by consumers, as "an indication of the non-competitive conditions in this field which now operate to prevent any direct price reductions to the consumer."



W. B. WOODS

has been elected chairman of the board of Gordon Mackay & Co., Toronto.

It's Your Money

By BRUCE MacKINNON
Maclean-Hunter Editorial Research

The only part of the budget address that dealt with governmental economics was where Mr. Abbott pointed to total expenditures. These have come down from $5,136 millions in the year ended March 31, 1946 to $2,634 millions in in 1947, $2,199 millions in '48, with $2,175 millions budgeted for '49.

This is nice to know, but it shouldn't be taken too seriously by the taxpayers. "Ordinary Expenditures," the regular spending by government departments, which excludes war and demobilization spending, is now running 50 to 60% higher than it was in fiscal 1946. Here is the record:

Ordinary Expenditure

Year Ended March 31	$ Millions
1946	1,062
1947	1,236
1948	1,383
1949	(1,491 (est.) (1,633 (est.)

The reason for putting two figures opposite the 1949 year is that in the budget Mr. Abbott estimated $190 millions more in total spending than was called for in the main estimates a few months ago. The larger figure takes into account that ordinary expenditures will increase proportionately to the total. The smaller figure is the original estimate for the current year.

Either figure shows that Ottawa's regular spending has increased approximately 50% in four years.

Big Beauharnois Project Starting

Beauharnois Light, Heat & Power Co., controlled by Quebec Hydro-Electric Commission is understood to be awarding construction contracts for immediate start on its $40 million 600,000 h.p. development on the St. Lawrence River between lakes St. Francis and St. Louis (The Financial Post, Dec. 20).

Construction sources report Angus Robertson Ltd. awarded contract for $4 millions rock excavation, and Dufresne Construction Co. as likely to be awarded contract for $10 millions dam. Plans call for canal dredging, tailrace excavation, spillway and powerhouse construction, plus fabrication and installation of six turbo-generator units. Consulting engineers are H. G. Acres & Co., Niagara Falls, Ont.

Look For It Here

June 5, 1948

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U. S. Embargo And Beef Price

(Continued from page 1)

be a tendency to hold stock for later slaughter. There is a good inventory in Canada of one to two-year-old steers which either could be kept and fattened, or might be liquidated rapidly if the industry thought prices were going to slump as they did last March.

Unlike hogs which have to be marketed once they reach about the 200-lb. mark, there is a considerable area of choice for cattle growers in what they do about marketing.

Now that the long-awaited move is about to take place and Canadian livestock producers will be able to take advantage of the new Geneva rates and enter the U. S. market, one or two points of importance for the record should be made.

Who Kept Embargo on?

In his speech at Whitby last week in which he indicated that the embargo would shortly be removed, Mr. Gardiner is reported as saying that "supervision of meat handling had been turned back to the Department of Agriculture from the Prices Board with a view to removing marketing restrictions."

The inference here is that the Prices Board or Canada's price control officials have been the stumbling block to removal of the embargo.

In point of fact, The Financial Post is informed that Mr. Abbott and WPTB officials have for a considerable time favored removal of embargoes. The real stumbling blocks have been the British contracts and an over-all fear among other Cabinet members of the political repercussions of the effect on prices.

Imminent lifting of the embargos brings into focus the concessions obtained by Canadian negotiators at Geneva on livestock exports from Canada into United States. (As well, Australian negotiators obtained an important concession on meat and veal. This automatically, under MFN treatment, is available to Canada.)

How Tariff was Reduced

On live cattle, the tariff under the Smoot-Hawley rates was 3 cents a pound. This was cut to 1½ cents a pound under the 1938 Canada-U. S. treaty. But Canadian imports were then limited to 225,000 head of cattle a year with the further provision of not more than 60,000 head per calendar quarter. If quotas were filled in the first nine months of the year, this would leave 45,000 head for admission at the reduced rate of duty in the last calendar quarter.

Under the Geneva agreement the rate is continued at 1½ cents a pound, but the quota is enlarged to 400,000 head of cattle a year for the 12-month period beginning April 1. As well, the quota periods are now arranged in favor of Canada and permit a quarterly rate of 120,000 with a possible residual rate of 40,000 head in the last three months of the quota year, if earlier quotas are filled.

Since the new arrangement starts each year on April 1, Canada is assured a full quota of 120,000 head in the three-month period, October, November and December, the period of heavy marketings.

On imports of heavy cattle in excess of the quota, the duty is reduced under the Geneva agreement from 3 to 2½ cents a pound.

Another gain at Geneva is that the tariff quota for calves weighing up to 200 pounds is increased from 100,000 to 200,000 head. The rate continues at 1½ cents a pound within the quota and 2½ cents on imports in excess of 200,000 head. There is no quota on dairy cattle (these have not been under embargo) and the duty rate continues at 1½ cents a pound.

Dressed Beef and Veal

As already indicated, a concession of major importance to beef producers and the meat packing industry in Canada was obtained at Geneva on beef and veal, fresh chilled or frozen. The U. S. import duty was reduced from 6c lb. to 3c lb.

In 1927, when the import duty on dressed beef entering the United States was 3 cents, Canada exported 53 million pounds for which the cattle equivalent was approximately 100,000 head. If, as a result of the Geneva agreement and the lifting of the embargoes, trade is resumed on this scale it should considerably ease the pressure on the United States live cattle import quotas, increase returns to producers and provide considerable additional employment in Canada for workers in the meat packing industry.

See Trade Fair Annual Fixture

OTTAWA (Staff) — The Canadian International Trade Fair which opened in Toronto last week end is likely to become an annual fixture.

Questionnaires have been submitted to both buyers and sellers at the Fair, on the subject. These will be studied by directors of the Fair, and a decision will probably be announced on June 12, last day the exhibition is open.

"French Interior" Charles Beranger, 1816-1853
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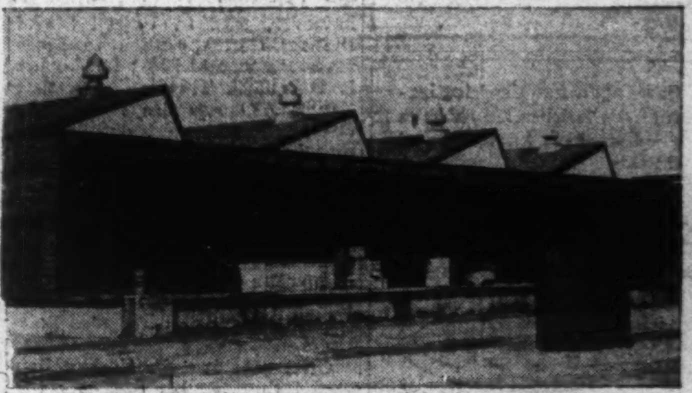

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• • •

Visitors to the Fair . . .

You will want our handy folder, especially prepared for visitors, which carries a simplified map of Toronto and locates important landmarks for you . . . also, our recently-published 100-page book "Canada Today" with its illustrated story of Canada, her resources and her people. Ask for these publications at our Trade Fair Suite in the Royal York Hotel or at any of our 35 branches in Toronto.

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Standard of California Active in Manitoba

From Our Own Correspondent

WINNIPEG—Oil exploring crews employed by the United Geophysical Co. of Pasadena, a subsidiary of the Standard Oil of California, are operating out of Brandon and Virden in Western Manitoba in an intensive search for oil and gas.

Their work is being directed by experienced oil engineers from Tulsa, Los Angeles, and Pasadena. The company for the last two years has done extensive seismological exploration work in the area in which they are now working.

INVESTMENTS THIS WEEK

No Increase in Earnings For Can. Railroads Seen Yet

Net earnings of Canadian railroads do not show any improvement yet as a result of the 21% freight rate increase allowed earlier this year.

Net earnings of Canadian National and Canadian Pacific combined are down 31% from last year in the first four month period.

Gross earnings were up for both companies and revenue car loadings increased by about 4%. But the rising cost trend, evident for the past few years appears to be still in effect, as shown by the fact that expenses have jumped higher than revenues.

Following is a comparison of earnings and expenses for the two companies for the four month periods in 1947 and 1948:

CPR	1948 $	1947 $	Incr. or Decr. %
Gross earn.	105,078,883	97,595,195	7.6
Work. exp.	102,420,034	94,584,809	8.2
Net earns. .	2,658,849	3,010,386	11.6 (d)
CNR			
Oper. rev..	147,611,000	136,295,000	8.3
Oper. exps.	141,901,000	127,040,000	11.7
Net rev. ..	5,710,000	9,255,000	38.3 (d)

In United States the class I roads at the end of March showed a decrease of 4.5% in net operating revenues. It is significant, however, that in United States the ratio of expenses to gross revenues was 81.18%; in Canada it was 96%. This indicates that Canadian companies have been operating on a very narrow margin.

It is pointed out that it is still too early to determine what ultimate effect the 21% freight rate increase will have on net earnings. According to both companies they will not get the full benefit from the 21%, since certain classes of goods are exempt.

CNR president R. C. Vaughan stated that for his company the increase actually worked out to about 13.6%. CPR president W. A Mather stated that it would only be about 16% for his company taking the exempted goods into account. At the same time the cost of salaries and wages will be increased this year, whether or not a strike is called. They have offered an increase of 7 cents an hour which in the case of CPR would add approximately $13.5 millions to its wage bill.

Since the rate increase was announced CPR common has jumped from $13¼ a share to about $20⅝ a share currently. But, in addition to hopes for an improvement in railway operating earnings, there were three other factors contributing to the rise, according to analysts. They were: (1) The general strength in the U. S. rail stocks which has helped U. S. buying of C.P.R.; (2) a belief by U. S. investors that C. P. R. was at a low price in relation to equity value; and (3) hopes of the results of its deal with Socony Vacuum Exploration Co. whereby the U. S. oil firm will explore C.P.R.'s extensive land holdings in Western Canada.

* * *

Annual Reports

Every director of a public company shall furnish annually to the secretary for the information of shareholders at the annual general meeting a statement setting forth in detail all shares or other securities of the company bought or sold by him for his personal account directly or indirectly during the 12 months immediately preceding the annual meeting, according to Section 96 (a) (1) of the Dominion Companies Act. In the United States, proxy statements for the annual meeting contain the shareholdings of directors.

Canadian companies might well consider publishing some such information. Shareholders are apt to have more confidence in a company where management has a substantial stock interest or is showing a trend towards increasing their interest in their company.

* * *

Hunts Ltd. has expanded and brightened its 1947 annual report and also consolidates figures for its wholly-owned subsidiary, Modern Properties Ltd. Its income dollar goes 59.03% to materials and services, 26.83% wage and salaries, 8.45% income and other taxes, 1.86% depreciation, 2.11% dividends with 1.72% retained in the business.

* * *

Canadian Vickers Ltd. incorporates its notice of annual general meeting as a page in its annual report and also gives shareholders comparative figures for the previous year which is helpful to shareholders. The report is less elaborate than last year.

* * *

Aluminium Hits New High Due to Sales Prospects

Aluminum output since the war has expanded to over seven times the prewar average and should be even greater yet according to some observers. Present rate exceeds 2 billion pounds per annum, against an average of 320,000,000 lb. from 1936 to 1939.

Almost all of the increased production has been for new markets developed since the war or for prewar uses of the metal. Wartime predictions that the industry would suffer a tremendous drop in business when military aircraft production needs disappeared, have now had to be drastically revised.

On top of the tremendous expansion which has occurred already, prospective business as a result of the European Recovery Program and the U.S. rearmament plans indicates an even greater boom for aluminum, analysts say. Important feature of rearmament for the industry is the proposed 70-Group ir force.

Market interest in these developments is reflected in the establishment of new all-time high this week for Aluminium Ltd. common shares which traded at over $65 a share (equivalent to $325 a share on the old stock prior to the split.)

* * *

Massey-Harris Conversion Changes to One-for-one Basis

Conversion of Massey-Harris Co.'s 6¼ preferred shares into common on a 1½ for-one basis was completed this week so that the conversion rate now changes to a one-one basis.

At present market prices of about $28 a share for the preferred and $21 a share for the common, there is no financial incentive to convert the preferred, so that no further conversions are expected for the time being.

Capitalization now outstanding consists of 161,200 6¼% preference shares, par $20,and 1,328,184 common shares. The number of common shares outstanding has gone up 81.5% from the 732,508 common shares outstanding Nov. 30, 1944. This has been through issuance of 322,396 shares for preferred converted on a two-for-one basis, the issuance of 241,797 common shares on the 1½-for-one basis and the sale to employees and officers of 31,483 shares.

* * *

Saguenay Electric Bond Offering Expected Soon

An offering of $2.4 millions of first mortgage bonds of Saguenay Electric Co. is expected to be announced soon by McLeod, Young, Weir & Co., The Financial Post understands.

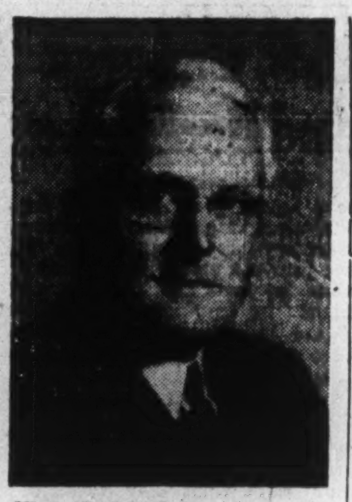
The issue will consist of $500,000 3¾% Series A bonds due 1949 to 1958 and $1.9 millions 3¾% Series B sinking fund bonds due 1968.

* * *

See Canadian Vickers Reorganization Delayed

Investors are wondering when the much talked of reorganization plan of Canadian Vickers will take effect. In the company's annual report it was stated that "within the reasonably near future it may be possible to place before the preferred and common shareholders a plan of compromise and arrangement which will be acceptable to the company and to all classes of shareholders." The Financial Post understands that the plan is not likely to be presented until sometime after the annual meeting which is called for June 14.

The problem in working out a plan for this company has been to reconcile the viewpoints of both preferred and common shareholders. In this case the company's board is said in part to be in the position of an outsider looking in; since some of the largest preferred and common shareholders are not at present represented on the board. There is a possibility that these shareholders may gain representation on the board.



W. I. WALKER

has been elected president of Gordon Mackay & Co., Toronto.

Alum. Ltd. Plans Third Laboratory Cost $1 Million

MONTREAL (Staff) — Construction of a new $1 million research laboratory at Arvida, Quebec, was announced last week by Aluminium Ltd. Incorporated with the laboratory will be a pilot plant, and the entire structure is expected to be completed in 1949. Research at Arvida is concentrated on problems in the actual production of light metals, up to and including the extraction of metallic aluminum and magnesium.

Third modern unit operated by Aluminium Laboratories for industrial research the Arvida laboratory will provide augmented facilities for what is said to be an already large research staff. The other laboratories, at Kingston, Ont., and Banbury, Eng., are adjacent to operating plants and are largely concerned with problems in the fabrication of semi-finished and finished products from light metals.

Aluminum Co. of Canada, operating subsidiary of Aluminium Ltd. is the principal user of the results of the research at Arvida. Such research involves investigation of the processes used for the chemical treatment of basic ores and other raw materials, and for the electro-chemical and electro-thermal reduction of the metals from their oxides.

S.M.T. (East.) Gets Franchise For Saint John

SAINT JOHN, N.B. (Staff)—The Council of the City of Saint John granted S.M.T. (Eastern) Ltd. an exclusive franchise to operate a transportation system in the city last week. The transportation system is now operated by the New Brunswick Power Co.

The agreement between the city and S.M.T. is to date from July 1, 1948, to July 31, 1961, but may be cancelled by the city on 18 months' notice if citizens decide in a plebiscite to have transportation placed under public ownership. The franchise may be renewed for a further 10 years after July 31, 1961, unless the city or company has served notice by Jan. 31, 1960, that it wishes to discontinue the agreement. During the 10-year extension the city may terminate the franchise under certain conditions.

Conditions are set out in the agreement covering purchase by the city if public ownership is decided upon.

S.M.T. has undertaken to pay the city 2½% of its gross revenue from fares in the greater Saint John area annually, in lieu of all rates, taxes and assessments other than real estate taxes and to indemnify the city against any possible loss resulting from any lawsuit that might be brought by the New Brunswick Power Co.

With the loss of the transportation system on July 1, New Brunswick Power Co.'s only operation will be that of the gas utility. As of Jan. 1, 1948, the New Brunswick Power Commission took over its electric generating and distribution facilities from it. Payment for these latter has not yet been settled, it is understood.

Subsidiaries Of Bowater's Change Hands

Special Correspondence

ST. JOHN'S—Sale of its local subsidiaries to the newly formed West Newfoundland Investment Co. is announced by Bowater's Newfoundland Pulp & Paper Mills Ltd. Involved in the transaction are Corner Brook Stores, Glynmill Inn, Crown Laundry & Dry Cleaning Works, Western Publishing Co. and Bowater's interests in Western Terminals Ltd. and in Newfoundland Engineering and Construction Co.

Price paid is not known, but The Financial Post understands that a substantial part of it has been met by the issue of shares in the investment company, the shares to be held by Bowater's as an investment for the time being.

Public participation in the new company will be possible fairly soon it is understood, either through the marketing of some of the present issued capital or through issue of additional shares to provide funds for a new development program.

Manager of the new company is T. H. Winslow, formerly executive assistant to the general manager of Bowater's, who has severed his connection with the paper company to take up his new position. Assisting him will be S. Osmond, until recently Bowater's controller of subsidiaries.

Bowater's newsprint plant, sulphite plant, barking plant and power development are situated at and near Corner Brook, Nfld.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CASTLE-TRETHEWEY MINES final decision as to when company will resume operations in Gowganda is still in abeyance and must remain so until general situation clears to a degree that will at least give reasonable assurance of uninterrupted operations, President Balmer Neilly states in 1947 annual report.

Group of 27 claims in Groundhog area was prospected last year, but nothing of an encouraging nature was encountered. Preliminary development is to start on Holloway twp. property now that road from Matheson has been completed.

Investments in marketable securities increased $264,039 to $2,643,258 and quoted market value jumped $692,176 to $5,721,456.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Divs. earn. & exch.* ..	$276,405	$234,159
Add: Sundry rev.	94	533
Less: Oper. exp.	6,459	8,665
Outside expl. w/o ..	9,747	8,308
Admin. & gen. exp.	13,255	17,123
Inc. & other tax ..	28,236	21,940
Net prof. & surp.* ...	218,802	178,656
*Before providing for depreciation.		
Earnings per Share ..	$0.081	$0.066
No dividends paid.		

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Cash	$113,740	$135,090
Mkt. secs. after res.*	2,643,258	2,379,219
Accts. rec.	38	39
Total curr. assets ..	2,757,036	2,514,348
Oper. prepay.	860	860
Mining props.	662,528	662,528
Plant & equip.▲	114,008	112,351
Total assets	3,534,432	3,290,087
Accts., etc., pay.	25,644	4,137
Taxes payable	10,737	6,701
Cont. res.	50,000	50,000
Total curr. liab.	86,381	60,838
Capital stock	1,229,007	1,229,007
Surplus	2,219,044	2,000,242
▲After depr. of	197,031	197,031
*Market value	5,721,456	5,029,280
Working capital†	2,670,655	2,453,510

†Including securities at book value.

CONSOLIDATED HOMESTEAD OIL CO. has received payment for 50,000 shares at 20 cents a share, part of June 1 installment. Issued capital is 3,471,050 shares.

Talk New Plan For Brown Co.

MONTREAL (Staff)—Rumors of a forthcoming capitalization plan of Brown Co. are flying thick and fast in investment circles this past week.

Latest talk has centred around a plan whereby the present 6% preferred would be replaced; probably by one carrying a lower interest rate of perhaps 5%. Conversion features of the new preferred together with a common stock payment, it is thought, would give preferred shareholders a total of about 30 common shares for each preferred share held.

No official statement has been made as yet, although it is believed the question has been discussed by the company and preferred shareholders' groups.

N.S. Power Co. Is Converting To Trolley Bus

HALIFAX (Staff)—Nova Scotia Light & Power Co. has substantial capital expenditures planned for the next few years, General Manager J. B. Hayes tells The Financial Post.

The projects include:

1. Completion of the 4,600 hp hydro-electric plant on Methals Brook (Avon River System). This is expected to be completed in August.

2. Construction of a 4,500 hp hydro-electric plant in 1949, which will double the capacity on the Black River.

3. Preparatory work for an additonal 20,000 kw steam plant to be built at Halifax.

4. Replacement of the existing tramway system in Halifax by modern trolley coaches which are expected to be in operation by September, and the system to be completely converted by March, 1949. Existing tracks will be pulled up gradually. Cost of this program is estimated at between $2-$2.5 millions.

5. Construction of a new car barn to house the trolley coaches.

6. Additional rural distribution lines.

Demand for power continues good while new customers have exceeded anticipations, Mr. Hayes stated.

Fleury-Bissell Sales Higher

Volume of business on hand of Fleury-Bissell Ltd., Elora, Ont., is sufficient to ensure capacity operation of the plant to the end of this calendar year, The Financial Post understands. This includes large export orders booked.

Volume of sales for the first six months of the current fiscal year is up substantially from the corresponding 1947 period, and estimated net profit before taxes is also substantially higher, The Post understands.

This reflects the new building referred to in the last annual report, together with other changes in the handling of material, which have reduced costs.

Demand still shows no signs of falling and the company is looking for a much better earnings for the current fiscal year.

It is expected that a shareholders' letter reporting on results for the first six months will be sent out in the next few weeks.

Net profit for the fiscal year ended Oct. 31, 1947, was $30,179 after taxes, or equal to $2.17 a preferred share and $0.99 a common share.

High Level of Business Continues

Latest available statistics indicate that business activity in Canada is continuing at high levels.

Corporate earnings statements for interim periods of the current year continue to show improvement and security markets have translated these factors into higher security prices.

Our June Investment List presents comparative business indices together with a broad selection of Dominion, Provincial, Municipal and Corporation securities to provide yields from 2.75% to about 6.00%.

Featured are securities of the following companies:
Abitibi Power & Paper Company Limited
British Columbia Electric Company Limited
Dominion Tar & Chemical Company Limited
Eddy Paper Company Limited

Copy of our "June Investment List" forwarded upon request to any of our offices.

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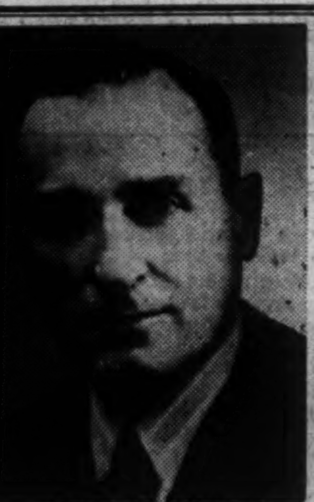

GEOFFREY STUBINGTON

whose election to the Board of Directors of The Imperial Life Assurance Company of Canada is announced. Mr. Stubington has been associated for many years with the Western Assurance Company and The British America Assurance Company, of which organizations he is President. *

SOUTH AFRICA

Manufacturers' Representative arriving in Toronto on June 5 requires contact with mills making Dress Goods, Woven and Printed Shirtings, Tropical Suitings, Lightweight Tweeds, Tapestry, Furnishing and Tie Materials, Blankets and any type of piece-goods. Nylon Stockings, Sox, Haberdashery and Buttons. Men's Shirts, Ladies' Underwear and Ladies' high-class shoes. No exporter. Contact Advertiser, c/o Herisen Co. of Canada, 24 Dundas St. W., Toronto, Phone ELgin 7719.

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Sail through island-studded Georgian Bay, Lake Huron, Lake Superior and Thunder Bay . . . dancing and deck sports . . . sun bathing and cooling breezes . . . visit historic points en route by S. S. MANITOBA, sailing from Port McNicoll and Owen Sound every Thursday. $50.00 up (plus Gov't Tax). June 24th to August 26th.

Full information from any Canadian Pacific agent or your own travel agent.

Canadian Pacific

FOR SALE

Established metal products business, having brand new plant of 12,000 sq. feet situated on Laurentian Highway, 15 miles from Montreal.

This company is making profitable line of all metal furniture for hotels, restaurants and homes. Profits are 10% net on sales. This business will be sold as going concern for less than price of assets. Approximately,

$50,000

N. S. BROOKE, MANAGER
INDUSTRIAL DEPARTMENT—GUARDIAN TRUST COMPANY
618 ST. JAMES STREET W., MONTREAL, QUE.

MANAGED INVESTMENT

Policy of 'Wait and See' Is Maintained by Compton

The recent rise in the stock market has been so rapid and strong that it raises the question: Is the bear market which began in June, 1946, now finished and done with? Our plans have been based on the certainty that sooner or later it must end, Compton's manager states.

Compton's manager is satisfied with his present holdings, and, at the present level of the market, does not recommend purchase of any more stock.

(The manager of McNab's, other investment account reported by The Financial Post, states: Investors are again entering the market with confidence. My present policy is to gradually accumulate equities for income and possible gain over the long term.)

Compton's Manager Says:

Herewith is your investment statement for the month ended May 15.

Recent swings of the stock market up and down have not been wide enough to justify purchases or sales for your account.

On the one hand, we feel satisfied with the stocks that you hold, and (unless the market should again rise in such a manner that the proceeds of your sales, when reinvested, would provide you with a further increase of income) do not recommend you to sell any.

On the other hand, we do not recommend, at this time and at the present level of the market, the purchase of any more stocks; we believe your best course is to retain as a liquid reserve the $2,525 which you now hold in Dominion of Canada Bonds—with a view to converting these into preferred or common stocks, when the then level of the market allows you to do this with advantage.

During the period from April 16 to May 15, you received dividends amounting to $8.83. This sum did not cover the monthly transfer to your account of $25 for living expenses, which is part of our arrangement. You therefore took out of your account $16,17; leaving a net cash balance in your account of $52.53 on May 15.

The recent rise in the stock market has been so rapid, and strong, that it raises the question, whether the bear market which began in June, 1946, is now finished and done with? We do not know, but our plans have been based on the certainty, that sooner or later it must end.

The following contrasts the distribution of your holdings, just before the market broke in 1946, and now:

	June 15, 1946 %	May 15, 1948 %
Dominion bonds	36.5	19.2
Merchandising		2.8
Food	1.9	6.0
Textiles	12.5	13.0
Beverage	2.5	5.2
Steel	9.2	7.0
Fuel, power, light	5.8	..
Oil	4.0	3.6
Pulp and paper	14.1	17.4
Milling	4.5	4.1
Railway	..	1.0
Mining	..	10.6
Miscellaneous	8.6	7.5
Construction	..	2.2
Cash	0.4	0.4
	100.0	100.0

The Compton Account Now Stands

No. of Shares	Security	Cost per sh.	*Market per sh.
	Common Stocks		
5	Building Prod.	29½	33
10	Can. & Dom. Sugar	22	17
30	Can. Canners	19¼	21¼
5	Can. Industries	19¾	21¾
10	Can. Pacific Rlwy.	13¼	21½
20	Consol. Litho.	17¼	25
5	Consol. Smelters	85	113½
5	Goodyear	95½	113
10	Gypsum, Lime & Alab.	14	16
15	John Labatt	20	24½
35	Montreal Locomotive	18	18
15	Walkers	26⅝	30
15	Nat. Steel Car	19¾	26
15	Simpsons A	25¼	27¾
	Preferred Stocks		
35	Abitibi, $1.50 pfd.	20¾	20⅛
30	Can. Wire Box, A	23¾	25
25	E. B. Eddy Co., $1	22	19¼
25	Riverside Silk, A	32½	30
30	D. Stuart Oil	16¼	19½
50	McCabe Grain, A	11	8
120	York Knit. Mills A	7¾	6½
	Mining Stocks		
100	Teck-Hughes	3.90	2.65
5	McIntyre	64½	58½
15	Kerr-Addison	16¼	13¼
10	Hudson Bay	45¾	51½
	Bonds		
$1,100	Can., 3% 1957/60	100½	101¾
$1,400	Can., 3% 1959/62	100.98	100¾
	Cash		$52.53
	Curr. Market Value of Fund		$13,642.54
	Average Yield on Original $10,000		7.48%

*Bid price on May 15, 1948.

N.S. Pwr. Comm Big Expansion Now Planned

HALIFAX (Staff)—An expansion program calling for the expenditure of about $6 million is planned currently by the Nova Scotia Power Commission, The Financial Post is told. This will add 28,200 kw generating capacity and about 500 miles of rural lines to the system.

Projects involve:

1. Completion of the construction of a 4,200 kw hydro-electric generating station at Dickie Brook at a cost of about $750,000. This is expected to be completed in July.

2. Commencement this month of the construction of a 9,000 kw hydro-electric generating station on the Mersey River near Deep Brook. This will cost about $1,750,000. The contract for construction of the dams and powerhouse has been awarded to Atlas Construction Co., Montreal and work is expected to be underway this month and to be completed by Oct. 1949.

3. Construction of a modern 10,000 kw steam electric generating station in Pictou County. An order was placed last July for a 10,000 kw steam turbine with shipment promised in 30 months.

4. Construction of a 4,000 kw hydro-electric generating station on the Tusket River near Yarmouth, N.S., which will cost an estimated $750,000.

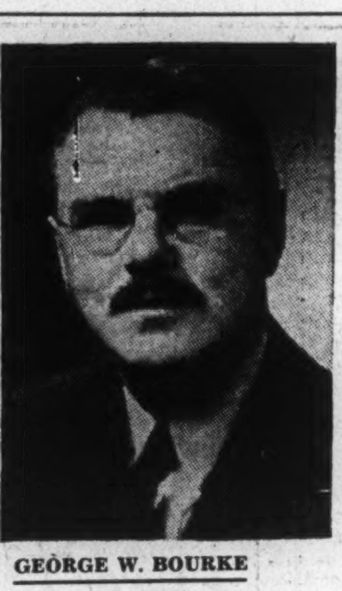
5. An expenditure of $1 million on transmission lines and new rural lines.

The Nova Scotia Power Commission hopes to add 500 miles of rural lines in 1948 and expects to add some 2,500 new rural customers this year.

Mexican Light Seeking Loan From Int. Bank

Officials of Mexican Light & Power Co. have applied to the International Bank for a loan to finance part of the company's estimated $50-$60 million expansion program designed to help alleviate Mexico's current power shortage.

Facilities expected to come into operation this year are a new 25,000-kw. unit at Nonoalco and an additional 27,900-kw. unit at Ixtapantongo. But even these projects would leave the company with no reserve to meet emergencies. Further planned power developments are expected to come into operation in 1949.



GEORGE W. BOURKE

vice-president and managing director of the Sun Life Assurance Co. of Canada, has been appointed a director of the Bank of Montreal.

Shell Oil Co. Will Enlarge B.C. Refinery

Reflecting more attractive earnings outlook for oil companies in British Columbia now that price of gas has been brought more in line with cost, Shell Oil Co. of B. C. has announced an expansion program for its plant near Vancouver.

Crude oil distillation capacity at the company's Shellburn refinery on Burrard Inlet will be increased by 2,500 barrels a day to 7,500 barrels. N. Y. Knox, vice-president of the B. C. company, states. This means that the refinery wil be able to process 21.5 million gallons more a year of petroleum products.

The new additions, including construction of two 80,000-barrel steel tanks to raise storage capacity to 23 million gallons, will cost more than $600,000, part of an over-all expansion program involving expenditures of some $2.5 millions since the end of the war. Early in 1946 a new asphalt blending plant was built, at a cost of $100,000, and later a new thermal cracking unit was constructed at a cost of nearly $1¾ millions.

In announcing the latest expansion plans, a company official says, "This move follows closely upon the Premier's request to the oil companies to increase the capacity of B. C. refineries, and can be regarded as an indication of Shell's renewed confidence in the future of the province."

When the province's Coal and Petroleum Control Board allowed an increase of only two cents a gallon in the price of gas early this year, one after another of the oil companies discontinued importation of finished gas. At the same time several companies contemplating expansion announced suspension of these programs. Later the Government granted another two-and-a-half-cent raise and the oil companies began bringing in California gas again.

CITY OF WATERLOO, Ont. has sold an issue of $310,048.01 debentures to a syndicate composed of Anderson & Co. and the Royal Bank of Canada at a price of $98,942, to cost the city 2.90%. Of the debentures, $160,000 are 3%'s due in 15 installments and are for extension to the sewage disposal plant while $150,048.01 are 2½%'s due in 15 installments and are for local improvements.

BATCH-RIVER GOLD MINES advises that Dr. Stan Malouf, Noranda, has been engaged to geologize both groups of claims owned by the company in Bachelor Lake area, Que. An extensive development program is planned following completion of geological mapping. The first group of claims adjoins holdings of Dome Exploration Co. on the east, second group adjoins the O'Brien property.

OSC Denies Registration To Two Stock Dealers

As a result of an investigation, an application for registration as a broker has been refused by the Ontario Securities Commission.

An application for a review of a previous cancellation of the registration as a broker has also failed to result in any change in the previous decision of the Commission.

Written reasons for the Ontario Securities Commission are as follows:

G. H. WOOD & CO.

As the result of a complaint from William Konency and S. R. Carlson of New Auburn, Wisconsin, an investigation order was obtained for the purpose of inquiring into the trading of units in the Pete Schwerdt Prospecting Syndicate.

In the course of the investigation G. H. Wood was examined under oath. It appears that Mr. Wood permitted distribution of these syndicate units to take place from his office through a deal made with E. H. Clark at that time business manager of the Canadian Mining Review, as nominee for Mr. Peter Schwerdt. The advertising in connection with the sale was done by The Canadian Mining Review, charged to Mr. Wood and charged back again by Wood to Mr. Clark as Schwerdt's nominee. Telegrams and circulars soliciting purchases over the signature of G. H. Wood & Co. were prepared by The Canadian Mining Review or A. B. Freer and sent out to various prospects. These were charged to G. H. Wood & Co. in the first instance and then charged back to the moneys to be received by Clark as nominee from the sale of the units. In general The Canadian Mining Review would appear to be the distributor of the units and G. H. Wood & Co. merely a clearing house on the basis of payment of $1 and later $1.50 per unit.

When a broker or dealer holds registration from the Commission we expect some responsibility on his part. It is not contemplated that such registration is to be used merely as a conduit pipe for activities of persons distributing securities who do not hold registration themselves.

Accordingly the application for registration of G. H. Wood & Co. now pending, is refused. As this is the order of the Chairman it is subject to review by the full Commission upon the applicant taking proper steps under the Act.

• • •

S. F. COCKBURN & CO.

The registration of the above-named broker who carried on business in Toronto was cancelled by order of the Chairman as of March 1, 1948.

Mr. Cockburn's wife made application for review of the Chairman's decision by the full Commission.

Naturally the matter being one of considerable importance, the Commission expected that Mr. Cockburn or his office manager or someone having a thorough knowledge of the business would be available to make some explanations and representations as to why the registration should not be cancelled.

Mrs. Cockburn really had no knowledge of what went on in the business. Besides that, it appears from a communication from Mr. Cockburn to his "clients and correspondents" dated March 11, 1948, that he was retiring from the business which would be carried on by one, E. A. Manning. Mrs. Cockburn admitted the business had been disposed of to Mr. Manning.

In the circumstances we see no good reason for altering the decision of the Chairman of March 1, 1948.

Sales Volume Still Higher For Silknit

Volume of sales of Silknit Ltd. to date in 1948 is slightly higher than for the corresponding period last year, President M. H. Epstein told the annual meeting.

Despite problems relating to increased prices and supplies of material and labor, it is anticipated that the increased rate of business and company's favorable position in the trade will be maintained, it was said.

Operations of the Canadian companies in 1947 resulted in a volume of sales beyond the previous year and demand for merchandise still taxes capacity, Mr Epstein reported. In Australia, increased costs of labor and materials offset higher sales, but reduction in taxes caused an increase in net profit. Increased production costs more than offset the higher sales of the English company. England's continuing high rate of taxation, and regulatory controls which affect supplies and production, are still being felt. A dividend payment of approximately $28,000 was received from the English subsidiary in March.

An initial quarterly dividend of 15c a share has been declared on the common stock, payable June 15.

Shawinigan Net Profits Higher

MONTREAL (Staff)—Shawinigan Water & Power Co. showed an increase of more than 25% in net profits for the quarter ending March 31, 1948. Earnings were $2.83 per preferred share and 43 cents share on the common (41 cents in 1947). There were no preferred shares outstanding in the first quarter of last year.

Steelwork at the new 195,000 h.p. development at Shawinigan Falls has been completed and the brickwork of the power house and gatehouse is already well advanced, it is stated. The first 65,000 h.p. unit is scheduled to come into operation on Nov. 1, with the second and third to follow Jan. 1 and April 1, 1949. Work has also started on the 384,000 h.p. development at Trenche.

Montreal offices of the company and its subsidiaries and associated companies have been moved to the new Shawinigan building.

During the quarter period, gross revenue totalled $6.6 million ($5.9 million) and net earnings were up some $300,000 over last year. Depreciation at $812,500 and income of taxes $591,458 were higher than in 1947. Fixed charges were lower by approximately $26,000.

Moirs Arranges Sale of Bonds

HALIFAX (Staff)—Moirs Ltd. has made arrangements for the sale privately of up to $400,000 of 3% seven-year serial bonds, which will be due $50,000 in the first year, $50,000 in the last year, and $60,000 in each of the other years, W. B. Proctor, managing director, tells The Financial Post.

Proceeds will be used for the redemption of the presently outstanding $615,850 6% bonds due Jan. 1, 1953 which have been called for redemption at par on July 1, 1948.

Moirs' volume of sales for the first quarter of 1948 has been quite satisfactory, Mr. Proctor states.

Moirs will spend some $200,000 on new equipment in 1948 provided all the equipment on order is delivered, Mr. Proctor states. One-half of the new equipment has already been received and is currently being installed. This represents the balance of a $600,000 modernization program started at the end of the war of which $100,000 was spent in 1946 and $300,000 in 1947.

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BOX 35, TERMINAL A, TORONTO

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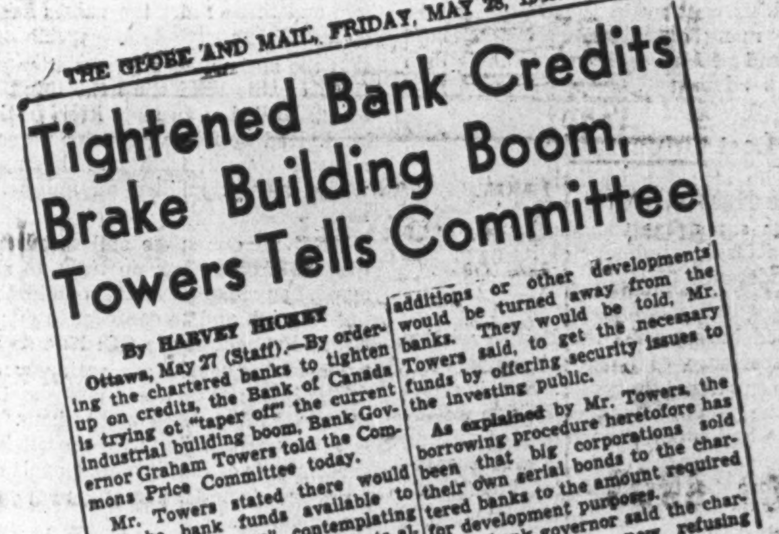

THE GLOBE AND MAIL, FRIDAY, MAY 28, 1948.

Tightened Bank Credits Brake Building Boom, Towers Tells Committee

By HARVEY HICKEY

Ottawa, May 27 (Staff).—By ordering the chartered banks to tighten up on credits, the Bank of Canada is trying to "taper off" the current industrial building boom, Bank Governor Graham Towers told the Commons Price Committee today.

Mr. Towers stated there would still be bank funds available to "smallish concerns" contemplating plant expansions. Also, projects already under way might proceed unhindered. But big corporations seeking to finance major factory additions or other developments would be turned away from the banks. They would be told, Mr. Towers said, to get the necessary funds by offering security issues to the investing public.

As explained by Mr. Towers, the borrowing procedure heretofore has been that big corporations sold their own serial bonds to the chartered banks to the amount required for development purposes.

The bank governor said the chartered banks were now refusing such to make loans.

ALTHOUGH the Bank of Canada has recently suggested to the Canadian chartered banks that they refrain from making further loans to finance major industrial expansion programmes, Canadian corporations may still obtain capital funds for such purposes through the sale of their securities to the investing public.

The raising of capital by the public sale of bonds or stock issues is not inflationary. On the contrary, it combats inflation because these issues absorb the public's savings which might otherwise be devoted to the purchase of consumer goods.

For over a quarter of a century we have specialized in the furnishing of new capital to Canadian corporations. Executives of Canadian corporations who require funds to finance major expansion programmes are cordially invited to discuss their problems with us in the strictest confidence. Our experience is freely at your disposal without the slightest obligation on your part.

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It Would Be Our Problem

In its campaign urging immediate customs union between Canada and the United States, Farm and Ranch Review makes an amazing statement in regard to American-branch plants. It says:

> "There is no doubt that problems would arise for eastern industry. But we suggest that the definition is wrong. More correctly it would be—problems would arise for the owners of the billions of dollars worth of American branch plants located in Ontario and Quebec. These would not be Canadian problems in a real sense. They would be American problems."

An American problem indeed!

What about the hundreds of thousands of Canadians who are employed in these plants? Surely their jobs and their future are of some concern to Canada. One would think to read the argument advanced by the Review that these plants were manned entirely by Americans who came over from the U. S. each morning, with their lunch pails, and returned each evening.

Actually, of course, apart from some original American capital and a sharing in parent company patent rights, the great bulk of these American branch plants are an integral part of the Canadian economy. They use great quantities of Canadian raw materials and supplies, employ Canadian labor exclusively and most of them are entirely staffed and managed by Canadians.

These plants were established in this country primarily to cater to the Canadian domestic market and the British Empire. What would happen to them in the advent of customs union with the United States would be a major problem that Canada, and not the Americans, would have to face.

And in painting its rosy picture of the results of customs union Farm and Ranch Review neglects to tell its prairie readers how such a move could help to market their greatest single export—wheat. This and certain other agricultural surpluses have always gone to Europe and must continue to go to Europe.

Canada could, it is true, sell more cattle, meat and some dairy products to the United States but in wheat and pork products Canadians and Americans are competitors. A customs union with the United States would simply result in our surpluses of wheat and pork being added to those of the United States.

Unquestionably both Canada and the United States would benefit from closer economic relations. We could buy more from the United States and that country should be buying a great deal more from us. There are certain products we can grow, process or manufacture more cheaply than the Americans, just as with certain other products they have the advantage. Obviously if tariffs and other restrictions were removed this natural production of both countries could be exchanged to mutual advantage.

It is toward that goal of industrial and agricultural integration that we should be moving gradually and steadily. In the end that will give us all the advantages of customs union without the tremendous economic and possibly fatal political upheaval that would surely follow an overnight fusion of the two countries now.

He Paved the Way

There will be general pleasure about the Ottawa decision which nominated the Hon. James A. MacKinnon to represent the Dominion Government at the opening of the first Canadian International Trade Fair.

It was under the MacKinnon regime as Minister of Trade and Commerce that the Trade Fair idea was conceived and the vast organizational job set in motion. So the Fair "belongs" to the MacKinnon period.

And there are other reasons for bringing him to the Fair in an official capacity.

It was under him that the sweeping reorganization and rejuvenation of the Department took place. A staff that had been discouraged by Ottawa's long neglect and indifference perked up mightily when hoary precedent was smashed and the immensely competent, young Max Mackenzie was brought in from private business as deputy minister. Mr. MacKinnon left Trade and Commerce with perhaps the biggest supply of good men of any department in Government.

Those who know Mr. MacKinnon's enormous personal success as good will ambassador for Canada abroad will hope that our country does not stop using him in this work. He makes a great hit with the people of other lands. His warmth, tact and geniality have many times in many countries served this country well. His national value in this important service should be remembered.

Good Public Relations

This week in Washington 300 government officials, diplomats, journalists and others were shown the film, "A Romance of Two Hemispheres," produced by Massey-Harris to mark its centennial. It tells the story of the contribution this farm machinery and equipment firm has made in every part of the world.

Not long ago this picture was seen by 250 leading New York industrialists, bankers, publishers and others. Commenting on the public relations value of the showing, a Canadian government official said it was the finest thing any Canadian company had ever done in that city, not just for itself but for all Canada.

Public relations efforts of this type are valuable to Canadian industry in making its story known more widely by Americans. Even more important, they do a good job of raising the visibility of this country in the United States.

There are many organizations which could follow the lead of Massey-Harris to their own and Canada's advantage.

Lost Opportunity

Anyone who sees the fashion show at the International Trade Fair in Toronto might be pardoned for supposing Canada has little in the way of a fashion industry of its own. The great preponderance of styles shown are from England.

This is good business for the British who've had long experience of trade fairs and their value for promotional purposes. But it's bad business on the part of Canadian fashion manufacturers who had every opportunity of putting a representative selection of their best merchandise before the thousands of buyers attending the Fair.

Few of them took that opportunity. The great majority, notably the Montreal fashion people, simply ignored it. Montreal, in fact, is holding its Fashion Week this week as usual. This seems a particularly short-sighted view on the part of an industry which has but recently climbed to success.

Socialism Doesn't Dig Coal

The resignation of Sir Charles Reid as production director of the National Coal Board in Britain has brought into sharp focus the difficulties the Attlee government is having in socializing the British coal industry.

Just before he quit his post in disgust, and after nearly a year and a half of nationalization, Reid stated:

> "We are putting into the pits day by day great masses of machinery, and it does not seem to matter what we do — the output per man is not rising. The Board are very much concerned. There is something wrong somewhere . . . We think that there is a slackening off all over and we are not getting the advantage of this machinery."

This comes from the man who, under both public and private control, has been one of Britain's most progressive mining engineers and the leader in urging technical improvement in the mines.

Current coal production figures do not support the socialist claim that nationalization of the industry would solve its problems and increase output to meet all requirements.

At present the mines are barely managing to maintain their production objectives for this year, objectives set to meet only the most urgent demands. More time is being lost in labor disputes and at the same time the industry is calling for more men and more machines.

The London Economist, reviewing the present situation in the British coal industry, says:

> "Resignations (from the Coal Board) that have recently taken place are the more disquieting because so often it has been the best men who have resigned. It seems to be not the conservative and cautious technician, but the imaginative and progressive, who finds the greatest difficulty in working effectively under the new order . . . Resources of labor, of money, of equipment are being poured in for what, so far, seems an inadequate return. Management under nationalization still has to solve the problem of the psychological relationship between management and labor. It has still to determine in practice whether the industry is run for the public benefit or for the benefit of the persons engaged in the industry. It has still to find for itself an administrative structure that does not disperse responsibility and muffle initiative. It has still to discover the loyalties that are to hold it together and the human motive forces that must keep it alive."

The socialists are apparently finding out that there is a great deal more to the solution of complex industrial problems than the passing of nationalization acts and setting up of bureaucratic boards.

Those in Canada who listen to the halcyon claims of the CCF that nationalization will cure all economic ailments easily and painlessly should first pay close attention to the success, or lack of it, that this treatment is having in Britain.

Let Them Come

An immediate halt to the immigration of displaced persons is demanded in a resolution of the Toronto local of the Ontario Council of Carpenters and Joiners of America. The resolution adds that Eastern Ontario is beginning to be flooded with surplus labor, presumably of the type represented by this group of construction workers.

That will be news indeed to thousands of Canadian citizens who are still frantically trying to rent, buy or build living quarters at prices two and three times the values asked in prewar days.

If the authorities pay any attention to resolutions of this kind the next thing they will be asked will be to stop immigration of every kind. Had we followed such a narrow and short-sighted course from the beginning, Canada would have remained an uninhabited wilderness.

Until all our space and resources have been utilized Canada has no right to shut its doors against any healthy and law-abiding person willing to work and to conform to our general customs. Particularly is this true so long as other parts of the world are seriously overcrowded. In the interests of world peace and general harmony we must share with others. Aside from a few thousand Indians we are all immigrants or descendants of immigrants on this continent and no group should have any monopoly of future development.

And this sharing with desirable immigrants from Europe will prove of mutual benefit. These people, like the ones that came before them, will make their own jobs, open new territory or industries, create new domestic markets.

The pessimists who pretend to see a personal competitor in every immigrant seem to think that there are a strictly limited number of jobs in Canada and a definite limit to our development.

Our history, of course, proves that that view is completely wrong. Today in Canada there are far more people gainfully employed than ever before and there is still an enormous amount of work waiting to be done.

Scholarship for Industry

Nine universities across Canada will participate in the $4,500 scholarship program announced by G. H. Wood & Co., Toronto, to mark its 21 years of successful industrial growth. Other Canadian universities are to be included in future plans which the company's president, Geoffrey H. Wood, is considering.

With individual grants and awards to universities not as plentiful or generous as in former years, the contribution of this industrial organization will be widely appreciated. There is plenty of scope for similar ideas to be developed by other corporations in all parts of the Dominion.

Napier Moore's ScratchPad

LAST WEEK, for the third time in its 26 years, the Bankers' Association for Foreign Trade held its convention in Canada. Membership in the association is confined to U. S. banks operating foreign departments. Associate membership embraces eight Canadian banks and other foreign banks which have representation in the U. S.

We went to the Seigniory Club to speak at the annual dinner and met bankers from all parts of America, from Britain, Australia, China, Mexico, Holland and Belgium. What particularly impressed us was the number of vice-presidents of large U. S. banks who started life in Canada, England, Scotland and Wales. To mention two or three, the association's new president, A. W. Roberts, vice-president, Continental Illinois National Bank and Trust Company, Chicago, was born and raised at Sharbot Lake, Ontario. The retiring president, P. A. Kinnoch, vice-president, American Trust Company, San Francisco, was born a Scot in Glasgow. W. A. Mitchell, vice-president, J. P. Morgan and Company, New York, came from Hamilton, Ont., got his training with the Canadian Bank of Commerce.

• • •

EARLIER IN THE WEEK, we twanged our vocal chords at the Empire Day dinner of the Canadian Society of New York. Here, as you might guess, the gathering was entirely Canadian. Not one of a large company of men is digging ditches for a livelihood either. They were bankers, business executives, doctors and so forth. And an astonishingly large percentage came from around Guelph and Galt. We have often wondered what would have happened to Guelph had all its successful sons stayed there.

This year's president of the society is, of course, from Guelph — Edward Johnson, head of the Metropolitan Opera. We handed him a copy of the Acton Free Press in which was reprinted this item from its issue of March 24, 1898:

> The Epworth League held a birthday social in the Methodist Church. After light refreshments in the school room, the people adjourned to the auditorium, where a very enjoyable program was provided, including solos by Mr. Eddie Johnson of Guelph.

In those days the Free Press had a music critic of no mean perception. The review of the concert said Mr. Eddie Johnson proved himself to be a vocalist of high rank, and that "he will be welcomed at any future visits to Acton."

• • •

THIS MONTH, his colleagues will honor Donald McK. McClelland, the well-known chartered accountant who is retiring from the firm of Price, Waterhouse and Co., after 46 years service with that company. For years we have been torn between admiration of his genial personality and dry humor and envy of his uncanny skill at knock rummy.

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SPEAKING OF AUDITS, company reports and that sort of thing, United States Steel Corporation evidently has succeeded in making its annual report so readable that a child can follow it. The latest issue of U. S. Steel Quarterly carries a photograph taken at a stockholders' meeting. It shows a tranquil, sweet old lady listening in rapt attention to a speaker. At her side sits her five-year-old granddaughter, completely absorbed in a copy of the annual report.

• • •

ANOTHER U. S. COMPANY has sent us some literature extolling the virtues of colored cement sidewalks. Illustrations show how certain stores and hotels in Chicago achieve eye appeal in this way. Some have black pavement, pin-striped in a vivid color. In Rio and Buenos Aires, gaily patterned sidewalks look good. For a moment we thought it might be a good way of brightening up Toronto. But engineers of that city's works department (and you must get their permission to monkey with a sidewalk) take a dim view of the whole thing. They said, "Suppose someone laid a black sidewalk which developed a hole? Some people wouldn't be able to see it. And on a wet day how would near-sighted people know that they had come to the end of a black sidewalk? And colors would fade because of our snow and ice. And suppose a butcher had a patch of red alongside Ye Cute Hat Shoppe's yellow strip, with purple fronting an adjoining jewelry store?"

The engineer we talked to shuddered when he got to that point. You could tell at a glance that he was badly shaken.

It would be our guess that any Torontonian who wants a colored sidewalk in front of his premises is going to have a tough time.

Stop Me If—

A plumber wrote to the Bureau of Standards in Washington saying he had found hydrochloric acid good for cleaning out clogged drains.

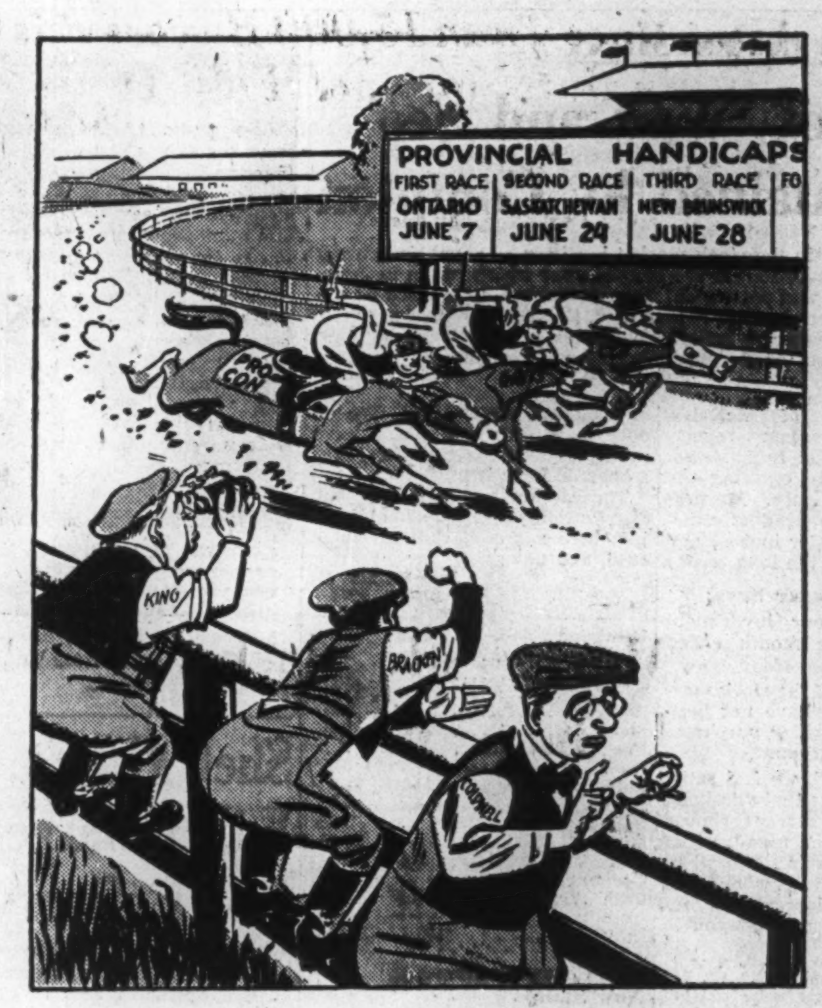
The bureau wrote him: "The efficacy of hydrochloric acid is indisputable, but the corrosive residue is incompatible with metallic permanence."

The plumber replied he was glad the bureau agreed.

The bureau tried again: "We cannot assume responsibility for the production of toxic and noxious residue with hydrochloric acid and suggest you use an alternative procedure."

The plumber again replied that he was pleased the bureau agreed with him.

Finally the bureau wired: "Don't use hydrochloric acid! It eats hell out of the pipes."


PROVINCIAL HANDICAPS
FIRST RACE ONTARIO JUNE 7
SECOND RACE SASKATCHEWAN JUNE 24
THIRD RACE NEW BRUNSWICK JUNE 28
FO
PRO CON
KING
BRACKEN
COLDWELL

Cartoon by Grassick.

SIZING THEM UP FOR THE GRAND NATIONAL

Post Scripts

New Legion Head

Soldier and business man, Col. Lionel D. M. Baxter was elected Dominion president of the Canadian Legion at its recent annual meeting at Saskatoon. He succeeds Major General C. B. Price. As first vice-president of the Dominion Legion and before that as head of the Manitoba Command, Baxter did much to pave the way for increased pensions for veterans and their dependents. Col. Baxter is an eminently successful and level-headed business man. He is president of the long established firm of Osler, Hammond & Nanton, Limited, at Winnipeg, and either an officer or director of a long list of other companies, some interested in fuel and mining developments, and others in western oil. Recently he has taken a leading part in promotion of a potential $40 millions project, Prairie Pipeline which proposes the piping of natural gas from Alberta to as far East as Winnipeg.

COL. BAXTER

Baxter was born in Ontario, and educated in the public and high schools of Kingston. His military career started in 1903 when he joined the 4th Hussars at Kingston.

In 1914 he enlisted as a captain in the First Canadian Divisional Train. Serving in France with the First Canadian Division he was promoted to lieutenant-colonel and later became Assistant Quarter Master General of Overseas Military Forces.

His combination of long experience in business and military affairs should prove of great value to the Legion and its 300,000 members of two world wars.

• • •

New PFRA Chief

Typical example of the self-made man is grey-haired, 47-year-old Leonard B. Thomson, of Swift Current, Sask., recently appointed director of the Prairie Farm Rehabilitation Administration which he helped to organize in 1935.

MR. THOMSON

Formerly superintendent of the Dominion Experimental Station at Swift Current, he has done everything from sharpening knives to selling coffee, from shearing sheep to being caretaker of a church. But agriculture has always been closest to his heart.

Born at Blenheim, New Zealand, in 1900, he served with the Anzac forces during World War I and was on his way to the European theatre when Armistice was declared. He migrated to Canada the following year, landing in this country with hardly a dollar in his pocket. "I liked what I saw," he says, "so I decided to stay."

His first job was shearing sheep on a farm in Central Alberta. While he is modest about his sheepshearing ability in those days, he admits he managed to shear about 90 to 100 sheep a day, at 25 cents a head.

Before long he had a substantial stake and decided to "blow the whole works seeing Western Canada." Flat broke by next spring, he went to work on a farm for $40 a month. Later, he tried selling coffee, and when that proved unsuccessful, he bought a knife sharpener and went around Calgary soliciting work from door to door. But he could scarcely make a living.

After working with the Western Stock Ranches and the Crowfoot Farming Co., he enrolled in the agricultural College at Olds, Alta., and later went to the University of Alberta to continue his agricultural studies. Between classes for the next four years he worked on the university farm and, during the winter, was janitor of a church.

Following graduation in 1925 as a Bachelor of Science in agriculture, he was appointed officer-in-charge of boys' and girls' calf clubs for the Alberta Government. He joined the Dominion field husbandry department in January, 1926. As field husbandman, with headquarters in Swift Current, he undertook a reclamation survey of grazing lands in Southern Alberta and Saskatchewan. He was also in charge of a project to regrass abandoned farm lands.

In 1927 the Dominion range experimental station at Manyberries was started, and Thomson was appointed superintendent. There he instituted range and pasture investigational work and launched a small water development program, based on the findings of the Manyberries station.

He remained at Manyberries until 1935, when he became superintendent of the Dominion Experimental Station at Swift Current. In the same year, he helped organize the Prairie Farm Rehabilitation Administration, and became chairman of its water development committee.

A wide range of interests on the farm front has seen this rugged, energetic New Zealander in many roles: president of the Agricultural Institute of Canada, on the Farm Machinery Control Board at Ottawa during the war, president of the Horse Co-operative Marketing Association, organized in 1944 to help prairie farmers sell a million surplus horses.

• • •

New VP of CNR

Although the biggest part of his railway career has been in Eastern Canada, James P. Johnson, the new vice-president of the western region of the Canadian National Railways, is well known in the West. At five points in the Prairie provinces he has served 17 of his 43 years in the railway business.

MR. JOHNSON

Johnson started his railway career in the telegraph department of the old Grand Trunk Railway. Born at Castlebar, Quebec, in 1889, he started as an apprentice in 1905 and served at various points in the East until he became a Morse code expert on his own. He was made a dispatcher at Island Pond, Vermont, in 1908.

After seven years at points in Ontario and Quebec he was appointed chief dispatcher and trainmaster for the National Transcontinental Railway, now part of the Canadian National system, with headquarters at Grant, Ontario. Two years later, in 1917, he was promoted to assistant to the general superintendent of Canadian Government Railways at Cochrane.

His first railway experience in the West started in 1919 when he was appointed inspector of transportation of the Canadian National at Winnipeg. The following year he was made assistant superintendent at Melfort. He served as superintendent at Prince Albert, Saskatoon, Dauphin, and Calgary, leaving Alberta in 1936 to become general superintendent of the Northern Ontario district with headquarters at North Bay.

For the last 12 years Johnson has been in Eastern Canada. In 1941 he transferred to Toronto as general superintendent of the Southern Ontario district of the Canadian National Railways. Promotion followed in 1943 with an appointment as chief of transportation for the system, with headquarters at Montreal.

Four years ago he became vice-president of the Atlantic Region of the CNR with headquarters at Moncton and it was from that point that he was moved to Winnipeg following his recent promotion.

What Others Are Saying

Editorial of the Week

Canada Needs Them

Windsor Star

To the new college graduates perhaps the best advice that can be given is that they should retain their enthusiasms, their visions, their ideals, the courage and adaptability of youth. These are great assets, even in a world too prone to forget high principles and high ideals.

The older generation has a responsibility to these graduates; to lend them an encouraging hand; to afford opportunities for them so that as few as possible will seek in other lands opportunities which they might consider do not exist in sufficient measure in Canada.

Canada has need of all these eager, well-educated men and women. Business, industry and the professions should see that they are given suitable employment. They are too great an asset to be dissipated because of a feeling of frustration at lack of opportunities. Let us give them every chance to make good in our own country. Their contribution will be ample repayment.

Other People's Views

MINIMUM BUTTER requirements of Canada must be met by the dairy industry, states the **Family Herald and Weekly Star** or "dairymen had better stop supporting the margarine ban."

PRIME MINISTER KING'S memoirs, believes the **Vancouver Sun**, should be an immediate best seller in Canada. "Everyone in Canada—with one notable exception—seems to expect that Mr. Mackenzie King will write his memoirs after he retires. The exception is Mr. King himself. Mr. King is none too sure he will have the time. His intimates, however, discount all pessimistic possibilities. They say that Mr. King's health and spirits are rising visibly the closer he comes to putting aside the burdens of state. Already the jocular in Ottawa have suggested 'My Stay' as a title for his personal chronicle."

THE LABEL "OPERATION" is wearing pretty thin and should be put on the shelf for a rest. The **Halifax Herald** reports: "When Defense Minister Claxton visited the joint experimental station at Churchill the other day, for an inspection of the military activity under way in that area, the tour was known as 'Operation Minister.' The camp's commanding officer admitted privately: 'It's getting so we're running out of names for these operations.' Before laying it away, however, it might be suitable to have just one more of these 'Operations' as a climax to the whole thing. The next time some elaborate piece of surgery is required in one of our hospitals, let's refer to it as 'Operation Operation'—and be content."

WE CAN'T TOLERATE a rail strike, states the **Vancouver News-Herald** which adds that "The Canadian Government must be prepared to take some form of firm, definite action to insure that our economic lifelines are not severed. Complete government control and operation, if the unions seem certain to walk out, may be one possible answer. There may be other, better solutions — but in any event the Federal Government, the railroad brotherhoods, and the railway managements must not permit a disaster of this magnitude to strike the essential economy of the nation. Isolation and abandonment of large communities of the Canadian people cannot and must not be allowed."

SAWMILLS WILL DISAPPEAR completely from Eastern Ontario unless forest conservation is prompt, warns the **Brockville Recorder and Times**. The really big mills, it says are already gone. "Go to certain parts of the Rideau Lakes area and there will be seen whole valleys filled with slabs and sawdust originating in these great mills which are now only memories, and slab sawdust wharves from which large trees are now growing.

"These flourishing establishments furnishing income and employment for a considerable number of hands vanished from the scene primarily because their operators did not possess sufficient foresight to realize that trees could not be cut down indefinitely without any attempt at replacement or scientific reforestation."

The Financial Post

Member Audit Bureau of Circulations
Member Business Newspapers Association of Canada

A weekly newspaper presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

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RONALD A. McEACHERN, Editor

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Melville M. Greig, circulation and promotion manager.

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THOMAS H. HOWSE, Vice-President and Treasurer

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June 5, 1948

Here Are Some Travel Tips To Help Enjoy U. K. Visit

Thinking of visiting the British Isles? Here are some "travel tips" in a special report to The Financial Post by M. R. Chipman, Montreal Manager, The Maclean-Hunter Publishing Company Ltd.

BY MURRAY R. CHIPMAN

LONDON—My first suggestion is that you decide to make the trip. The food is adequate for the tourist who eats in hotels or restaurants. Who knows but a three-course smaller meal is just what your chassis needs for that slimming New Look you have been promising yourself and doing nothing about. I lost seven pounds the first two weeks and then found my need for stamina caused me to stoke up on starches and now my New Look is gone.

The name of Canada stands high and will assure you added courtesies in many ways along your journey.

If you commute by air from Montreal to London as I did, you are naturally limited as to luggage. So send yourself some parcels beforehand, not alone for yourself but to have welcome gifts for those who entertain you. The items most welcomed are—soap (you'll need your own supply, too), sugar, brown sugar, rice, canned meats, cooking chocolate, cocoanut, Crisco, Mazola, tinned butter, dried fruits, date and nut bread in tins, peanut butter, pastry mix, condensed milk or cream, klim, cheese, etc. If you come by boat bring an adequate supply of fresh eggs. Without them breakfast here is a dull meal.

Drive Your Own Car

Motoring is easy for the tourist. You can hire a car and chauffeur for 30 or 40 cents a mile, depending on the type of car or for $3 an hour whichever way it works out the most. Or as we did, you can rent a hire-car, or Drive Yourself as we call it. The charge is pretty involved and there are forms to sign, licenses to get but ultimately it is fun driving on the wrong side of the road apparently and not getting arrested. You get an adequate amount of petrol coupons from the car-hire people. Or, if you have brought your car with you, you can get, at the port of disembarkation, coupons to take you to the furthest destination point and back. The north of Scotland has become very popular.

The new tourist voucher book effective May 1 and good till Dec. 31, 1948, enables you to get a list of rationed clothing and footwear—for purchase and immediate use. Heretofore you couldn't even buy a handkerchief unless you could wangle a coupon or else have the handkerchief sent to you to your departure boat for export. A bit of a blow if the cold in your head was today.

To obtain this new voucher book you go to the bank—not all branches of banks give this service but the faithful 9 Waterloo Place of the Bank of Montreal does—together with your passport. Upon your establishing that your credit is good for £25 ($100) they put your passport number in the book, you add your signature and you have your six vouchers. These permit you to buy one suit or costume, suit or costume length, one dress length, pyjama suit, one pair of boots, shoes or slippers, socks or stockings not exceeding three pairs, one shirt with two collars, etc. Nobody sems to be quite sure if you pay the purchase tax or not, so therefore you pay it. May I repeat, these articles you may buy and use. You still may buy as gaily as you like for export.

A Trip to the South

We motored for the week prior to the long Whitsun holiday week end down to the South coast staying with friends en route in Surrey and Sussex, then on to Winchester, Salisbury, Torquay, Fowey, Tintagel, Newquay, Clovelly, Bath, etc. It is a grand experience. Like London, the English countryside retains its magic charm. Perhaps because on so relatively small a stage so much of the pageant of history has been played. For instance, Tintagel is the site of the ruins of King Arthur's castle.

Most of the accommodation on the trip was excellent, but you should book in advance. And the English are learning to cook. What has happened to soggy potatoes and watery cabbage of my earlier recollection? Apparently dehydration has set in. We actually had some very tasty meals. And for your information, the Caprice in the Arlington Hotel is tops for food in London.

If you travel by train, on some journeys you can reserve a seat in advance. You should also ascertain if that particular train sells meal tickets in advance, from the dining car steward at the station. Otherwise you may not be able to get in to eat. On a Sunday evening trip to Manchester, on that line no seats could be reserved and the train was crowded, with standing room only. However, I was able to get a place in the dining car eventually.

What's in a Name?

The names of English places are frequently a delight, like many of ours must be to the outsider. What golfer in the rough could have found a better name than Cusses Gorse. Or could Joe Louis suggest a name more striking than Middle Wallop. Or what janitor could improve on Limpley Stoke.

Laundry is a slow process. But you can probably find a willing maid who will do all but the starched stuff. You will find some of the familiar drug products in the chemist shops. If you're an electric razor user, come equipped with an inexpensive transformer—I got mine in Montreal from the Schick people — which enables you to tune in on the local 230 volts.

The climate? It have been perfectly beautiful—warm and sunny until the last day or two. It was 38 degrees and penetratingly damp in Manchester on Sunday last. Iceland was spending the week end in the Midlands. But strangely enough you don't catch cold. I've developed a theory about that. You are so cold all over there is no room for a chill.

I saw Churchill in the House slumped deep down on the front bench, his feet up on the table, his head and jowls trying to thrust themselves out of his body like a defiant turtle. This island breed is tough but resilient. Later Big Ben boomed its notes of remembrance "This is London calling. Our forces are being evacuated from Dunkirk." Remember?

More Than 15,000 Buyers Busy In International Fair Deals

How's business at the International Fair? It started well.

First two days saw between 15,000 and 20,000 buyers registered — or about half the expected total for the full two weeks.

Sales got off to a fast clip; volume at midweek was estimated by Fair people as averaging more than $1 million a day.

Some Canadian exhibitors reported they'd paid the cost of exhibiting in sales on the first day.

All British exhibitors — who form the largest outside national group — reported keen interest in their exhibits.

One — a manufacturer of plastic injection and die-sinking machinery — reported sales to French and Argentine buyers on the first day.

Reportedly the largest single deal (by mid week) was one concluded between a Canadian aluminum goods manufacturer and a Newfoundland buyer: $250,000 worth of brewing equipment.

Another was a large sale of electrical equipment by a Canadian manufacturer to a Netherlands buyer.

Trade Fair officials, while enthused at this initial success were also embarrassed by it.

Catering, registration, telephone and information facilities were taxed beyond their capacity. Some of the seven restaurants ran out of food. Long delays were encountered at others.

Must Study Market Here U. K. Exhibitors Agree

British fashions have captured the show at the International Trade Fair in Toronto. Majority of the models exhibited in the daily fashion show are from British manufacturers.

Notable feature of the British exhibits in this line (largest section at the Fair) is the way in which manufacturers have got together in group exhibits. Notable also is the considerable effort they are putting into publicity and promotion — an effort which has surprised other exhibitors.

In the two main groups — English Tailored Fashions, members of the Mantle and Costume Manufacturers Export Group of Great Britain (a $40 million organization) and London Town (which is concentrating on highly styled gowns) there is every evidence of a considerable effort toward meeting specific Canadian needs.

Prices Still High

Prices however are still on the high side by Canadian standards with little sign of a reduction in sight, as materials prices remain firm, labor costs high.

One group specializing in tailor-made suits and coats estimates its prices as perhaps 33% above Canadian levels for a like line of goods, made in Canada from Canadian materials. It states, however, that this is more the result of import duty than any other factor.

In comparison with such goods made in Canada from British materials, the differential is estimated at 10% at most.

The group is stressing style and distinctive workmanship as an offset to the price angle.

Some difficulty is being experienced in finding Canadian agents to handle British goods. Reason is British currency regulations which impose an onus on the Canadian agent to do his own financing, speculate his own capital ($5,000 at least) before making a sale.

Following the Fair, British exhibitors plan to compile a comprehensive report on the market and make representations to the British authorities to have some of these difficulties eased.

Must Study Market

Several British firms in this and other fields are more or less new to the Canadian market. Many have voiced surprise at the lack of knowledge of the Canadian market in British official circles.

These and others freely admit that in many cases they have been merchandising here largely by guesswork, now found to be full of misconceptions. Most are convinced that as a result of the Fair and the opportunity it has offered for first-hand market study, they can boost sales here considerably.

Among British buyers visiting the fair is a delegation of five from the National Chamber of Trade of Great Britain (British equivalent of the Canadian Retail Federation.

Their chief, Stanley Perring, who is also exploring possibilities of buying Canadian home furnishings, told The Financial Post that he will spend most of his time here studying Canadian merchandising methods for guidance of Chamber members in their export drive in this market.

Swiss Franc Serials Sold By World Bank

The International Bank for Reconstruction and Development last week announced the issuance of its first foreign currency securities. This was about a $4 million issue of 2½% Swiss franc serial bonds due in 1953 and 1954 purchased at par "for investment" by the Bank for International Settlements at Basle, Switzerland.

The issue was entirely an accommodation to the Netherlands under the $195 million loan to that government last August, International Bank's President John McCloy said. Proceeds will be used to buy electrical supplies and equipment in Switzerland for which the Dutch loan was originally intended.

Of the total issue of 17 million Swiss francs, 6.5 million will be due April 1, 1953, 6.5 million due Oct. 1, 1953 and 4 million due on April 1, 1954.

Mr. McCloy described the the transaction as a "pilot issue" and said that "one or two" similar issues were under consideration.

The International Bank for Reconstruction & Development's outstanding U. S. dollar loans have recovered from their weakness earlier this year and are now selling close to their 1948 highs. the long-term 3%'s due 1972 are quoted around 99\frac{7}{32}$ while the 2¼%'s are quoted about 98\frac{11}{16}$. Their 1948 price range has been a high of 98\frac{13}{16}$ and a low of 94\frac{7}{16}$ for the 3%'s and a high of 98\frac{13}{16}$ and a low of 94\frac{5}{16}$ for the 2¼%.

Alberta Pulp Mill Is Nearer Reality

From Our Own Correspondent

EDMONTON—Good progress is being made with preliminary plans for a $14 million pulp and paper mill for Alberta, R. O. Sweezey of Montreal, one of the promoters, stated here. He said any further information must come from the provincial government; and none has yet been forthcoming.

News of Advertising

Association of Canadian Advertisers, Inc., this week filled two vacancies on its board of directors. R. C. Scrivener, advertising manager, Bell Telephone Co., at Montreal, fills vacancy created by death of D. E. Bankart, Northern Electric Co. H. T. Markey, advertising manager, Dominion Textile Co. Ltd., Montreal, replaces Mrs. Muriel Whitlock Gillespie of Courtaulds (Canada) Ltd., who has resigned.

* * *

Roy A. Hunter, until recently Pacific Coast representative at Vancouver of Stevenson & Scott Ltd., Montreal and Toronto advertising agency, has been named a director of that company and manager of its Vancouver branch. Mr. Hunter is a past president of the Pacific Advertising Clubs Association; past chairman of the Advertising and Sales Bureau, Vancouver; former advertising manager, Canadian Bakeries Ltd.; and for seven years, manager, Pacific Railways Advertising Co., Vancouver.

* * *

Kenyon & Eckhardt Ltd. appoints George P. Dymond (formerly McConnell, Eastman) as copywriter at Toronto. Dymond, born in England, began career in advertising department of General Motors at Alexandria, wrote speeches for a former Ontario lieutenant-governor, in advertising circles at Toronto and Montreal, staff officer at Air Force headquarters, Ottawa.

* * *

T. J. Henry, who served in Montreal office of N. W. Ayer & Son of Canada Ltd., 1935-37, and in Toronto office, 1937-41, has been appointed vice-president in charge of the Detroit office of N. W. Ayer & Son, Inc.

* * *

The James Fisher Co. Ltd. (Toronto and Montreal) has given new twist to a popular method of handling institutional advertising. Each advertisement in current campaign for Garage Supply Co. Ltd. carries a faithfully reproduced illustration of an extinct or nearly extinct bird. Humorous caption in verse suggests the bird's disappearance is caused by lack of replacements; leading directly to selling copy.

* * *

Harold F. Stanfield Ltd., Toronto, appointed to direct advertising for "Cooltan," a sun-tan lotion distributed in Canada by Richards Glass Co., Toronto. Parent manufacturer is Kathleen Court Ltd. of London, Eng., and product has been successfully sold there and in Australia, New Zealand, South Africa, and Europe. "Cooltan" was introduced to Canadian market last year in a national campaign in daily newspapers. Initial 1948 campaign, now being planned, will be directed to Ontario market only; may be widened later to cover all Canada.

* * *

Star Weekly has issued 34-page promotion booklet which contains a circulation breakdown of the September 27, 1947, issue, according to provinces, cities 25,000 population and up, cities 10,000 to 25,000 population, urban centres grouped according to province, all centres grouped according to provinces, counties and census divitions.

PACIFIC PETROLEUMS has issued an additional 13,000 shares in exchange for 39,000 shares of Atlantic Oil Co., increasing issued capital to 1,926,000 shares.

Government
and
Corporation
Securities

Enquiries Invited

A. E. Ames & Co.
Limited

Business Established 1889

TORONTO MONTREAL WINNIPEG VANCOUVER
VICTORIA NEW YORK LONDON, ENG.

Established 1888

G. TOWER FERGUSSON & CO.
(MEMBERS TORONTO STOCK EXCHANGE)

Investments

NEIL C. FERGUSSON
G. ROSS WINCHESTER H. A. SOMERVILLE

25 MELINDA ST., TORONTO ADELAIDE 7081

MONTREAL . . .
better
THAN EVER!

Montreal is maintaining its pace as Canada's number 1 city in volume of retail sales (nearly 12% of the Dominion total). When 1947 estimates are complete, retail sales will easily top the record $600,000,000 mark set during the previous year.

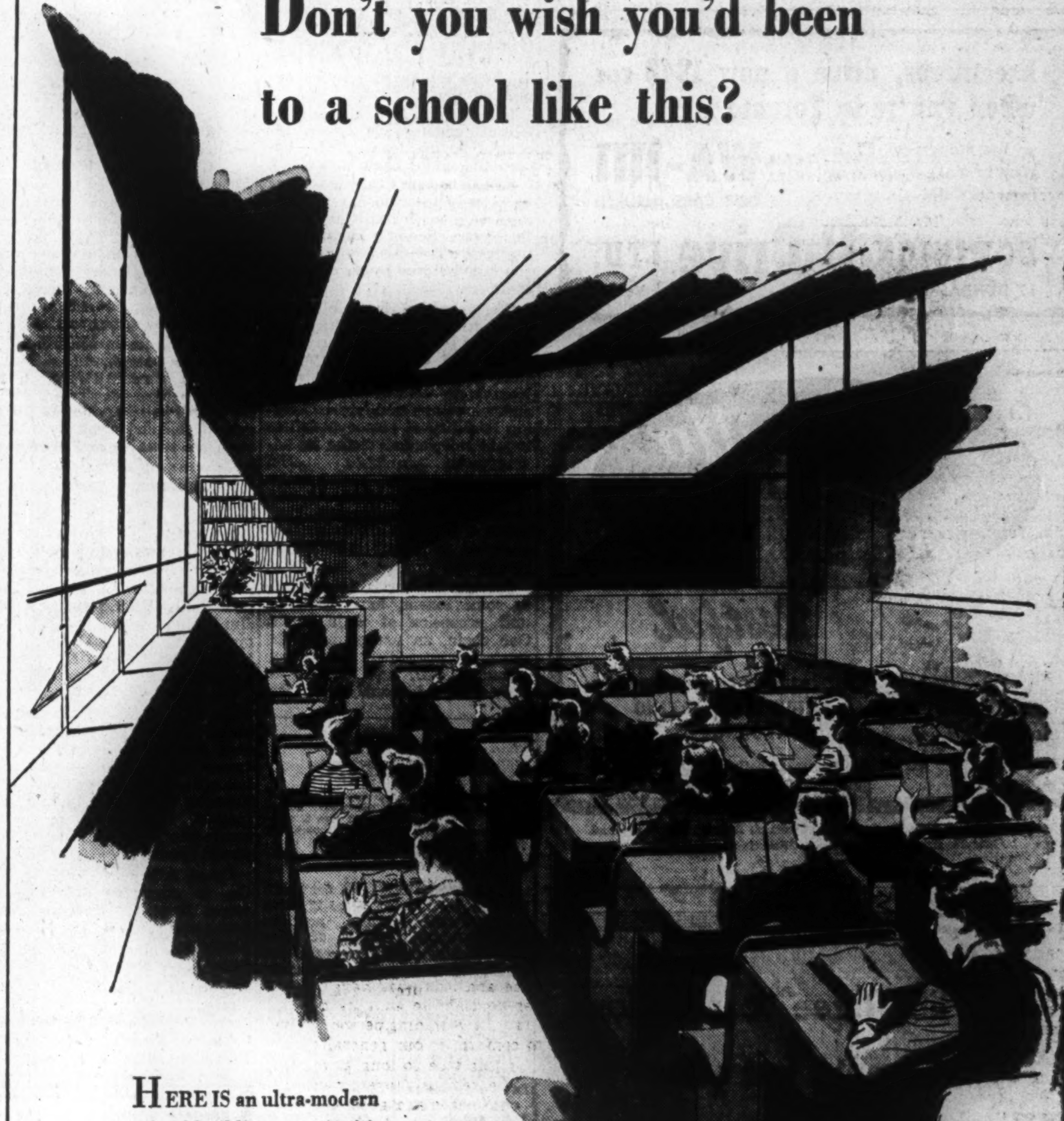
There's plenty more evidence to show why Montreal is such an outstanding consumer market, and plenty of reasons why advertisers should put Montreal first on their space schedules.

Last month, for example, Montreal led all cities in Canada in volume of retail newspaper linage, and was exceeded by only *12 cities on the entire continent!*

In Montreal, the Star continues to serve the rich English-speaking market completely, efficiently and economically.

The Montreal Daily Star.
"Canada's Greatest Newspaper"
MONTREAL CANADA

Don't you wish you'd been to a school like this?



HERE IS an ultra-modern school building — an exciting adventure in new educational aids.

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A message from the Life Insurance Companies in Canada and their agents

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L-8A

P. J. WARDLE, who has recently opened an office at 19 Melinda St., Toronto, as a business consultant and representative to contact federal departments at Ottawa.

Mr. Wardle has had a broad business experience. For 16 years on executive staff of Ford Motor Co. of Can. Ltd. Resigned from that company in 1942 to take an Ottawa post with the Dept. of Munitions and Supply, administering an order-in-council dealing with benefits conferred on Allied Governments for duties and taxes.

Later Mr. Wardle became associated with Frank H. Brown as re-negotiation officer and upon completion of war re-negotiation transferred to Head Office Income Tax division as Intelligence Officer. He recently resigned the latter position to open his own office in Toronto. *

What's Ahead For Retail Food Trade?

Independents Eye Co-op Buying to Fight Super-markets

Will the big, streamlined food markets mean the end of the small corner groceries? What are the latter doing to hold their trade in this highly competitive field? In this special report The Financial Post reports on the situation from coast to coast.

The Food Stores' Record

Here's a review on chain vs. independent food store operations in February, 1948, against February, 1947, based on DBS reports:

CHAIN FOOD STORES

Province	Feb., 1947 No. of Stores	Feb., 1947 Sales $	Feb., 1948 No. of Stores	Feb., 1948 Sales $	% Change in sales
Maritimes	53	636,400	53	864,300	+35.8
Quebec	162	4,018,200	161	5,491,200	+36.7
Ontario	481	9,505,200	484	14,317,600	+50.6
Prairies	92	1,959,200	92	2,461,700	+25.7
Br. Columbia	141	1,865,300	145	2,575,400	+38.1
Total	929	17,984,300	935	25,710,200	+43.0

INDEPENDENT FOOD STORES

	No. of Stores Reporting	No. reporting Increase	% Change in Sales Feb., 1948 —Feb., 1947
Maritimes	156	78	+3.5
Quebec	255	142	+4.5
Ontario	357	196	+5.5
Manitoba	81	35	—1.6
Saskatchewan	62	13	—7.5
Alberta	99	36	—2.8
Br. Columbia	111	48	+0.5
Total	1,121	548	+2.8

What is the new "super look" doing to the retail food business?

Here are two opinions on this major development in the business of feeding the nation:

Chain store executives say: It is providing a wider variety of merchandise; attractive display facilities; comfortable shopping conditions; eliminating lineups at cash registers; providing low-priced quality merchandise, increased sales and ample parking facilities.

Independent retailers say: It is forcing a rapid swing from the neighborhood "grocery store" to self-serve food markets; alarming wholesalers into co-operative round-table conference; bringing about a 25% to 30% swing of independent stores to independent chain groups operated by individuals.

A Financial Post survey of independent retail and chain food store operations in several provinces this week found:

Quebec: Grocery wholesalers and independent storekeepers are showing signs of alarm at spread of chain food store operations. Opening of new units has been of fairly moderate proportions so far this year, but movement of consuming public to patronage of super food markets is viewed with concern. Dominion Stores and Great Atlantic & Pacific Tea Co., headquarters at Toronto, operate a sizeable number of stores in Quebec province.

Ontario: The chain store front is pretty well dominated by Dominion Stores, Loblaw Groceterias and Great Atlantic & Pacific Tea Co., which operate and control about 325 of the 485 to 490 chain store units doing business in the province. Smaller organizations make up the balance.

Introduction of super marketing systems by senior food chains has occasioned a definite "sprucing up" in the independent retail field and a desire of storekeepers to join independent chains for merchandise guidance and advertising advantages; a definite swing to self-serve merchandising policy where feasible.

Remodeling of several nearby self-serve chain markets followed hard on heels the opening of new super food market at London, recently. Extensive newspaper advertising on part of chains has been met by some 30 independents banding together on co-operative payment of full-page advertisements on slogan "Your neighbor is the owner."

Manitoba: High costs of building materials and store equipment have forced chain store executives to shelve plans for new store openings this year. Group completed and opened six new units last year, but last structure finished was most expensive in history of organization. Sites held are being retained for future expansion plans.

Independent food chains (operating under trade names for central buying features) far exceed the senior chain group.

Saskatchewan: Chain food store operators appear to have no immediate plans for unit expansion this year. Reason: High buildings costs. Trend is toward fewer and larger stores (super markets) in future.

One former chain (sole ownership) has withdrawn from the field and stores are now privately owned and operated by former store managers, but all buying from same central organization and using same trade style. Growing tendency of grocery retailers to join independent chains for advantageous purchases, special sales, advertising, merchandise and salesmenship guidance, etc. Number of storekeepers have joined this group and others are expected to swing over before year is out.

Alberta: Higher building costs, to some extent, have curtailed unit expansion of chain stores. One chain, an exception in the group, has opened six stores since January, 1947, and expects to open four additional units this year. Other senior chains have no immediate plans for additional units.

A marked jump, however, has taken place in number of retailers joining the group operating under trade styles in the past few months. Indications point to additional stores moving into this group in balance of 1948.

Prince Edward Island: Independent retailers dominate the grocery and meat lines in this province as chain stores, so far, have not entered this field. There has been a moderate increase in number of independent grocery stores opened this year to date. Only one store operates on super market basis in Charlottetown.

Chains' Trend Upward

The statistics partly reflect spiraling food costs throughout the Dominion in past year, but at same time illustrate percentage growth in chain store sales and almost stationary position — in some instances a downward movement — of the independents reporting operations to DBS.

Greatest gain in sales was recorded in Ontario, where dollar volume boomed 50.6% by the 484 units as against 481 stores in similar period in 1947; over-all dollar gain of 357 independents in Ontario in same period was only 5.5%.

Figures suggest the swing of public patronage to the chain food markets and the mounting effect of the introduction of the super market. In past few months, Loblaw's has introduced several super markets in Toronto and new units at Newmarket and Huntsville, with latest super opened this week at Owen Sound, bringing total stores doing business in Ontario to over 115.

Dominion Stores, leading the chain field with some 228 stores—about 60% in Ontario and balance about equally divided between Quebec and Maritimes — has opened two super markets in Toronto this year. In past six months company has opened seven new units in Ontario and two in Quebec.

Great Atlantic & Pacific Tea Co. is currently operating 74 stores from the Toronto warehouse and 47 from the Montreal plant. A & P has opened two super markets in Toronto recently, bringing total stores in city to 17.

Big Dollar Volume Gain

The 935 chain food stores in the Dominion in February, 1948, experienced a 43% increase in dollar volume over same month last year, while independents, totaling 1,121, showed only a 2.8% gain in the same period.

Introduction of the $150,000 average super food markets to the Canadian housewife — featuring perhaps some 2,000 or more saleable articles, and geared to handle over $1 million in sales annually — has met the response and public patronage anticipated.

Super markets have been introduced to the Canadian public just about the time the average housewife has started to "feel the pinch" of increased living costs, authorities state. Chain store executives have realized the change occurring in public buying habits — necessity of buying lower-price merchandise to stretch the dollar — and have lowered markup and boosted sales, one Canadian grocery wholesaler states.

The average independent retailer, he states, is still in the tail-end of a prosperous postwar era and is still taking his normal or above-average markup, oblivious of the fact that chain stores are taking a smaller profit on substantially higher sales.

Advice to Retailers

Here is some of the ammunition being issued from the wholesaler to the retailer for sales offensive:

1. Introduce self-serve feature if at all possible; but not where this trend is overdone.
2. Tighten up on credit.
3. Display higher markup merchandise — meats, fresh vegetables, fish, dairy products, fancy bottled goods, beverages, in prominent store spots, not out of sight.
4. Give your wholesaler a far greater percentage of total purchases — higher marked-up lines as well as the lower priced dry groceries — and he may be able to reduce your costs.

A study of merchandising practises in the United States, wholesalers state, has found independent retailers competing with chain store prices by: (a) charging a weekly fee for delivery services and credit facilities; (b) reducing weekly drawings, with resultant increase in sales on lower markup and a final over-all greater annual profit.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

THRIFT STORES LTD. net profit for the year ended Mar. 27, 1948 was $133,239, against previous year's $131,841. Volume of sales showed a substantial increase, but percentage of gross profit slightly reduced, and operating expenses were considerably higher. Store and warehouse wages increased by $178,014.

During the year, four new meat departments were installed and twelve stores remodelled.

CONSOLIDATED INCOME ACCOUNT

Years Ended:	Mar. 27 1948	Mar. 29 1947
Net earnings	$267,212	$284,358
Less: Deprec.	30,580	25,674
Bond int.	3,164	4,159
Inc. tax res.	101,200	125,220
Add: Invest. sale	971	2,536
Net profit	133,239	131,841
Less: 1st pf. divd.	......	129
Ord. divd.	51,362	43,658
Surplus for year	81,877	88,054
Earnings per Share and Dividend Record:		
1st pref.*: Paid	......	0.40%
Ordinary	$2.59	2.56
Paid	1.00	0.85

*Redeemed July 1, 1946.

CONDENSED CONS. BALANCE SHEET

As at:	Mar. 27 1948	Mar. 29 1947
Cash	$75,549	$106,715
Accts. rec.	55,634	42,250
Inventories	703,342	637,726
Total curr. assets	834,525	786,691
Prep. exp.‡	31,688	26,448
Refund. EPT	41,000	41,000
Fixed assets*	274,059	240,374
Goodwill	39,000	39,000
Total assets	1,220,272	1,133,513
Total curr. liab.	516,627	486,745
Funded debt	75,000	100,000
Capital stock	332,733	332,733
Capital surplus	17,201	17,201
Earned surplus▲	278,711	196,834
*After deprec. of	252,371	236,374
▲Incl. refd. EPT	41,000	41,000
‡Incl. in curr. assets in co's. report.		
Working capital	317,898	299,946

ANGLO-ROUYN MINES advises that Joseph H. Hirshorn, New York, has underwritten 100,000 shares at 50 cents, payable forthwith, and optioned 300,000 shares in 100,000-share blocks at 60, 75 and 90 cents per share, all payable by May 26, 1949. Upon issue of underwritten shares issued capital will be 3,582,585 shares.

AMERICAN YELLOWKNIFE GOLD MINES has received payment for 25,000 shares at 10 cents a share, part of May 15 installment of 100,000 shares. Balance of installment, together with each subsequent installment, have been extended for 30 days. Issued capital—1,925,005 shares.

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"Three fifty-three" conventions in Toronto last year

Toronto ranked third among the cities of Canada and the United States last year, having no less than 353 conventions. Conventions mean visitors who, together with the tremendous number of tourists who flock to Ontario each year, comprise a rich bonus market of consumers over and above the resident consumer volume of retail business.

Toronto industries numbering 3,683 manufacturing establishments have passed, in numbers, those of any other Canadian city. The pay-rolls of these people form a steady supply of money to spend on consumer products.

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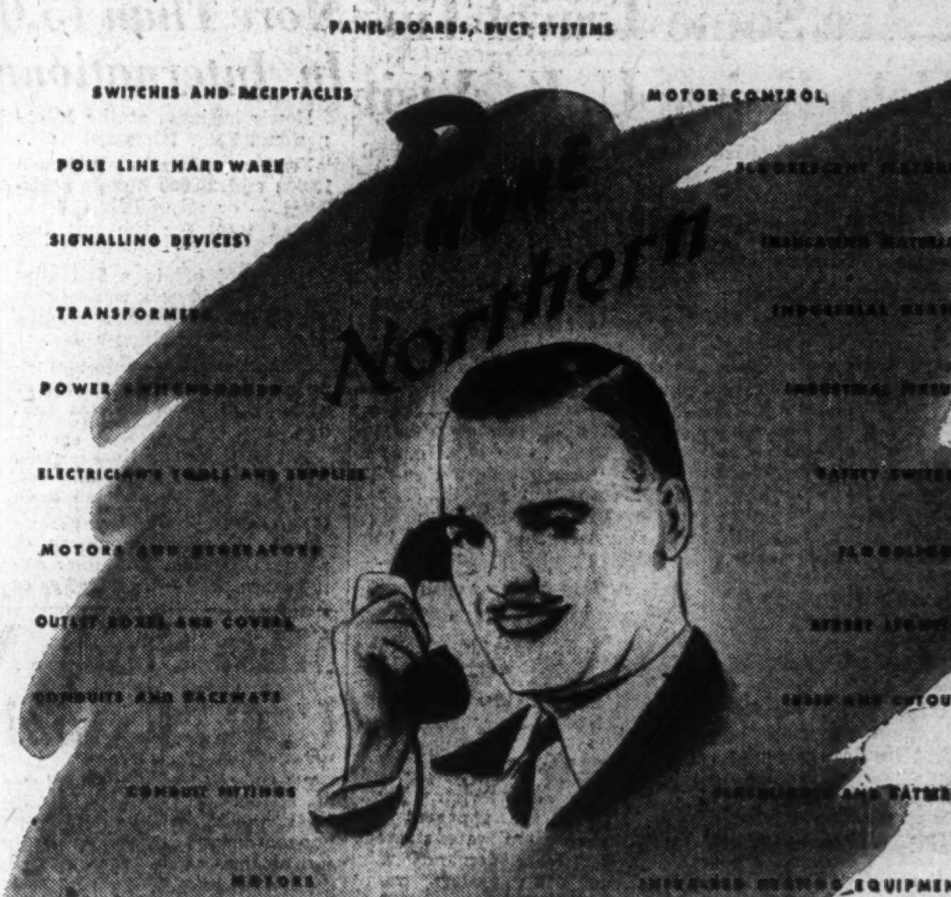

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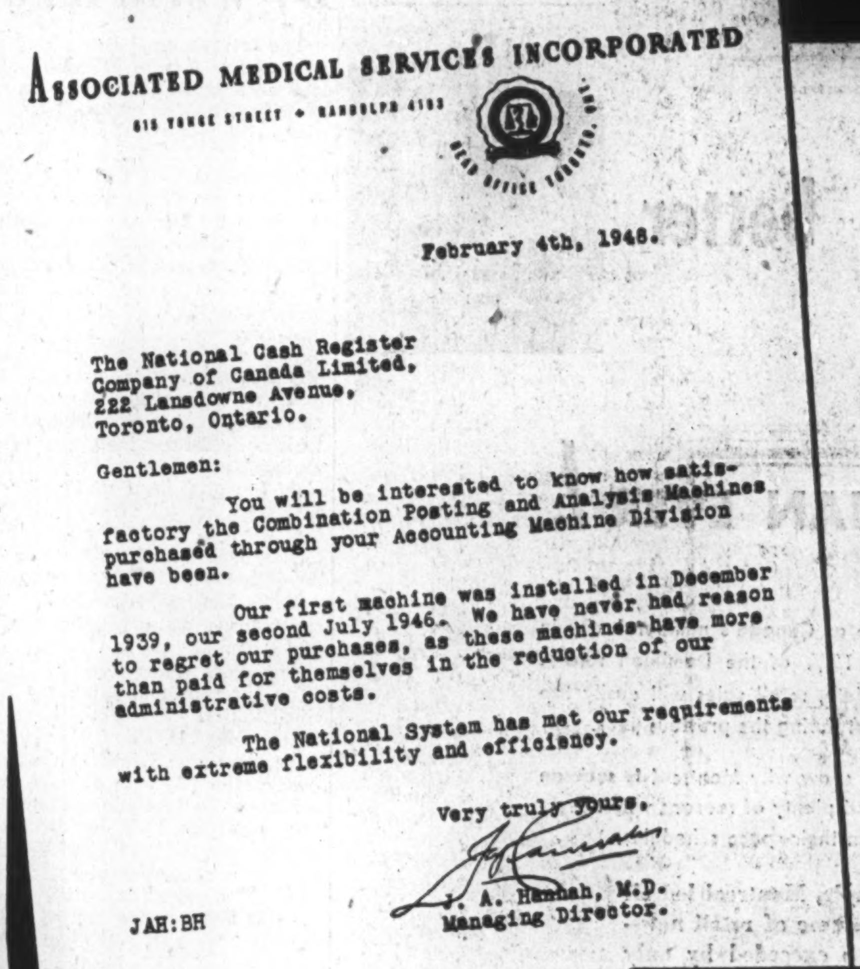

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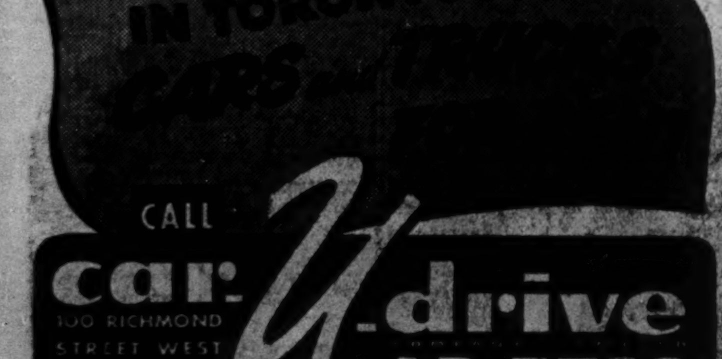
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LABOR ROUNDUP

By RONALD WILLIAMS

How Are Your Employee Relations? CMA Looks at Industrial Family Problems

How can we have better employee-employer relations?

Last week employers from all over Canada gathered in Toronto for the 77th annual meeting of the Canadian Manufacturers' Association and in the big Concert Hall, looked at the problem of industrial relations from four different angles:

1. Wages.
2. Labor Legislation.
3. International Labor Trends.
4. New Frontiers in Employer-Employee Relations.

* * *

Wages: Past, Present, Future

What about wages; How do they compare with prewar; What's the outlook?

In prepared speeches, general discussion and off-the-record talks there seemed to be reluctant admission that a third round of wage raises was certain; particularly since the apparent collapse of the United States strategy to counter wage demands with price cuts. The pattern might range from 8c-12c.

How do wages stack up today compared with 1939? In a keynote speech, Economist Gilbert Jackson cited DBS index figures showing that national wage rates had gone up 78%: a man getting 75c an hour before the war is now getting $1.33.

But that's the over-all increase. When it comes to manufacturing industries, rates have gone up even further—90%: a man earning 75c an hour in a factory in 1939 is today earning $1.43.

By comparison, the official DBS cost-of-living index stood at 151.6 in April. That's an increase of 51.6%. The statistical record shows, said Economist Jackson, that the standard of living of Canadian wage earners is far better than at any time in history.

And he contends that as a measurement of price changes only, the index is accurate. Those who challenge its accuracy misunderstand its function, he says, pointing out that it was not designed to measure changes due to higher or lower standards of living and different consumption patterns, which are responsible for the big increase in living costs.

* * *

Unions Sharpening Their Weapons?

On hours of work, R. Presgrave, York Knitting Mills, Toronto: "Unions are sharpening their weapons for the 30-35 hour week; the 25-hour week is in the not-too-distant future . . . Unions are at the crossroad of good or evil; evil by featherbedding to make jobs; good by recognizing the need and advantages of further technological improvements.

On economic facts of life, A. P. Craig, Canadian Westinghouse Co., Hamilton: "There's an alarming feeling growing among employees that they can get more and more pay for less and less work. Some radical union leaders are trying to teach them that this is the way to eliminate unemployment. Industry must educate employees—get across some of the basic facts about what keeps our standard of living up.

On conciliation, U. M. Evans, Anaconda American Brass, New Toronto: "We've just about reached the conclusion that it doesn't pay to try and deal directly with our union. We've signed four agreements but none without government intervention. We make an offer, it goes to conciliation and the board tacks on a bit more. Now we're going to try something else—make no wage offer . . . go right to conciliation.

* * *

Are Our Unions Being Europeanized?

What effect will International Labor trends have on Canadian Industrial Relations? In a keynote speech to the session on this subject, Harry Taylor, Canadian National Carbon Co., Toronto, warned; "Trade unions in Europe have long since assumed political characteristics. Some unions in Canada are importing parts of that pattern. Labor-management committees (there are over 500 in Canada), if they follow the European example, could have the ultimate effect of weakening or breaking effective management.

"In countries where these committees are established by statute, there is provision for making available to employees a great deal of information about the business. This automatically raises the question of whether we in Canada have gone as far as we can in this regard. Effective management does not mean joint management or partnership as some would have us believe.

How about industry-wide bargaining? "The trend in Europe is definitely toward this form of collectivism. How far can the rights of individual workers be surrendered to unions if we are to retain the Canadian form of democracy? How far can employers go in surrendering the rights of single production units to become submerged in industry-wide bargaining when they see from the experience of other countries that this constitutes a challenge to the survival of private competitive business? Industry-wide bargaining not only sets up a labor monopoly but is a form of collectivism. It is worth noting that the countries which had a highly developed system along these lines were the first to be socialized."

* * *

How to Avoid Labor Trouble?

New Frontiers in Employer-Employee Relations: Keen interest was shown in the panel discussion on this important subject. Lead-off speaker was F. A. Sherman, Dominion Foundries and Steel, Hamilton, who outlined the arrangement in his plant which has eliminated strikes, lowered absenteeism, increased productivity and kept out unions.

The basis of the plan is a retirement security scheme. Profit sharing plans, Sherman thought, fail because benefits are paid out in cash and are gone. A pension or retirement scheme is a form of savings.

Furthermore retirement security was the one thing Dofasco employees wanted most when invited to sit down and write the company what they thought was wrong with employer-employee relations. Now no one can be fired unless his discharge is signed by a five-man committee, two of which represent the employees.

"Industry has too long overlooked the fact that it is just as important to do something about worn out human equipment as worn-out machinery, if we are to have industrial peace. Unless we do it, the Government will eventually do it for us.

* * *

He Believes in Collective Bargaining

Another main speaker was W. E. Curry, Dominion Electrhome, Kitchener, Ont. There, too, management - labor relations are amicable although unlike Dofasco, employees are organized.

Curry said: "We believe in collective bargaining. Not only does the employee gain from a sense of participation but also because he no longer feels completely at the mercy of a great impersonal machine. Mass production techniques have reduced opportunities for self-expression and self-realization which Christian democracy had taught men to seek.

"The union is represented on wage, suggestion, safety and special committees and consulted well in advance regarding developments which will effect personnel. There's always plenty of warning of a change. It's well to bring new ideas in slowly."

On security: This has been accepted by the public as a just and attainable objective. We believe it is an unhealthy situation, as full security can only be attained at the cost of freedom. However, the ability of the average worker to provide for his security has been seriously weakened. Industry must help fill the gap with group sickness and benefit plans.

On safety and health: Plant music, (music before shift commences and during two 10-minute periods, morning and afternoon) safety training and full-time registered nurses and part-time doctor.

On selection and placement: Extensive psychological testing program employed with personal interviews and follow-up supervision.

On personnel dept.: It is essential that this bridge between management and labor should have no power to fire people; should have no direct authority except within the department itself.

On management's responsibility: Employers should start out with a written declaration of policy. Promises may seem trite but when you say: "We will treat our employees fairly" you are, in effect, guaranteeing them against arbitrary discharge, discrimination; promising fair wages and promotion on the basis of merit.

Good industrial relations said Mr. Curry, "is not a costly thing involving a large staff and the employment of experts. Nor does it consist of a packaged personnel program copied from another company's successful plan. Good industrial relations is an attitude of mind on the part of the men running the company.

Managers Back to School To Share Planning Ideas

20 Executives in Residence Two Weeks at $350 Fee for Stevenson & Kellogg's First Annual Refresher Course in Management

Into residence at a quiet wayside retreat near Toronto last Sunday moved 20 general and department managers from a wide range of manufacturing and other industries, utilities and universities. The 20 enrolled for an intensive two weeks refresher conference in management techniques sponsored by Stevenson & Kellogg Ltd., consulting management engineers and being held at the Guild of All Arts, Scarborough.

The "course" will be offered annually, according to Stevenson & Kellogg Vice-president F. Russell Manuel, to meet a need expressed by leading industrialists for intensive group discussion of principles of scientific management, similar to conferences held regularly in recent years in Britain and United States. Smaller conferences of this character have been held in Quebec.

S&K's course stems from earlier single-session talks on labor relations, held in its own office and attended mainly by executives of client companies. The broader conference now in session at the Guild Inn includes representatives of many non-client firms, some of them senior executives. Basic ideas are (a) to cover separately and in intimate detail about 20 main aspects of the management function, and (b) remove the site of this "training" from everyday pressure and distractions.

Three Sessions Daily

Fee for the course at $350 per man, at present registration volume approximately covers expenses, it is stated. S&K considers it as a needed service to industry and a worthwhile move in public and client relations, rather than as a source of revenue.

Enrolment includes representation from British Columbia and Quebec.

Though the program includes a conducted tour of the International Trade Fair in Toronto, a golf tournament, tennis, badminton and other recreation, work dominates, with three sessions being held daily.

Stevenson & Kellogg Ltd. is the Canadian-owned 12-year-old affiliate of Stevenson, Jordan & Harrison, London, Glasgow, New York, Buffalo, Cleveland and Chicago. Canadian offices are at Montreal, Toronto and Vancouver. From a beginning with a staff of six in Montreal S&K now has a technical staff of 60 plus 20 clerical assistants. It advises on a broad field embracing organization planning, structure and control, time and motion study, incentive plans, etc. etc.; specializes today in industrial psychology, labor relations, cost and profit control.

Use Motion Pictures

The sessions are instructional discussions, enlivened by motion pictures, wall charts, reference manual, etc. Group members will "learn by doing," with many of the sessions resulting in work assignments. At the dinner each evening, an outstanding authority will speak on the broader viewpoint of management.

Scheduled dinner speakers and subjects: S&K's President Paul Kellogg, who is also president of Integrated Manufacturers Ltd. on the purpose of the conference; S. V. Wright, vice-president and general manager of Aluminum Goods Ltd., on modern management; C. H. Millard, Canadian director of the CIO United Steelworkers' union on unions and their objectives; Dr. Herbert Moore, teacher and author, on industrial psychology; M. M. MacLean, director of Dept. of Labor's industrial relations branch and chief executive officer of the National Labor Relations Board, on the Government's place in collective bargaining.

Herbert H. Lank, vice-president of Canadian Industries Ltd., in charge of public relations, advertising, co-ordination of commercial policies and marketing practices, on "ideas unlimited"; E. E. Sparrow, vice-president of Imperial Varnish & Color, on transmitting management information to employees; Col. J. F. Lash, K.C., on business legislature; Dr. C. W. Kepner, consulting psychologist, on fitting man and job together; W. E. Scott, banking assistant of the Bank of Canada, on management of money; R. B. Morley, general manager of the Industrial Accident Prevention Association, on industrial accident prevention.

Group leaders (with one exception Stevenson & Kellogg staff experts) and their subjects, most of which run to three or four sessions with job simplification taking up nine sessions:

Industrial organization, and how to write reports, F. Russell Manuel; systematic procedure in placing employees, Clarence Fraser of Bell Telephone Co. of Canada; work measurement, J. Leslie Gavan and Bertram D. McAuley; leadership and training, and job simplification, Fred O. Claydon; modern estimating and budgeting of cost and profit, Jean Lefort; how to sell ideas, Duncan Cooper.

A RECORD OF STABILITY EXCEEDING ALL OTHERS

Full particulars covering recommended offerings of the securities of Canadian public utility companies will be furnished on request.

HYDRO-ELECTRIC POWER is an ever-increasing public necessity, and ranks in the forefront of all primary utilities required for our present standard of living.

Great manufacturing areas have resulted wherever low-cost hydro-electric power has been made available. The hydro-electric industry has had phenomenal growth since prior to the First World War.

Consumption of power in Canada has tripled since the boom year of 1929, and supply has only been able to equal the ever-growing demand through the far-sighted continuous expansion of producing facilities.

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Buying and Selling Orders accepted for execution at regular rates of commission on the Toronto, Montreal and New York stock exchanges.

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	Rate	*Maturity*	*Approx. Yield*
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Manitoba, Province of	3¼%	1963	3.15%
New Brunswick, Province of	3¼%	1958	3.18%
British Columbia Electric Co.	3¾%	1968	3.71%
Brompton Pulp & Paper Co.	3½%	1966	3.73%
Northern Quebec Power Co.	4½%	1967	4.50%
Canadian Oil Cos.	5%	Preferred	4.95%
Verney Mills of Canada Ltd.	4¼%	Preferred	5.11%
Power Corporation of Canada Ltd.	6%	Part. Preferred	5.30%

NESBITT, THOMSON & COMPANY
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Telephone Elgin 6146

Hope for Accord On Beauharnois

MONTREAL (Staff)—A special meeting of shareholders of Beauharnois, Light & Power Co. last week was adjourned until Sept. 24. No settlement on the amount of compensation for expropriated assets has yet been arranged, either by arbitration or negotiation, Mr. Justice G. F. Gibsone, chairman of the three-man shareholders' committee, reported. Although the arbitration board had met on March 1 and again on April 5, it could not proceed, since the board chairman was occupied with hearings of Montreal Tramways inquiry. As a result the hearing was adjourned to Sept. 27.

Mr. Justice Gibsone stated that the committee was prepared to proceed on that date but that it was still trying to negotiate a settlement with Quebec Hydro-Electric Commission. He was hopeful of a fair and satisfactory settlement, he said.

MASSEY-HARRIS CO. announces an additional 6,789 common shares have been purchased by officers and employees. Issued capital is 243,455 preferred and 1,201,826 common shares.

140,000
Atlas Steels Limited
Common Shares
(without par value)

Transfer Agents and Registrars
Toronto General Trusts Corporation, Toronto and Montreal.
Bankers Trust Company, New York City.

In addition to the above, provision is now being made for the transfer of shares by the Transfer Agents, in Winnipeg and Vancouver.

Capitalization

	Authorized	Issued	Outstanding
Common Shares (no par value)……	1,000,000 shs.	834,425 shs.	834,425 shs.

These Common Shares are listed on the Toronto Stock Exchange and are also traded on the Montreal Curb Market.

We, as principals, offer these Common Shares, subject to confirmation.

Price: $13.00 net per share

This offering does not constitute new financing by the Company, and the proceeds of the sale of these Shares will not go into the Treasury of the Company. These Shares are being made available by present shareholders and are being liquidated for estate purposes. Legal details in connection with our offering of these Shares have been approved by our counsel, Messrs. Manning, Mortimer & Kennedy, Toronto.

The right is reserved to reject any or all applications and also in any case to award a smaller amount than is applied for.

It is expected that engraved share certificates will be ready for delivery on or about June 8th, 1948.

Circular will be furnished on request.

Nesbitt, Thomson & Company Limited
Cochran, Murray & Co., Limited
W. C. Pitfield & Company Limited
Fairclough & Company Limited

H. F. HALIBURTON

THE ROYAL TRUST COMPANY announces the appointment of H. F. Haliburton as Manager of its Halifax Branch, succeeding W. Archer, who has been transferred to Toronto. Joining the Company at Halifax in 1932, Mr. Haliburton was appointed Secretary in 1939, and has been promoted to the Managership from that post. He is succeeded as Secretary by G. F Publicover, who joined the Company in 1935 at Halifax. *

Tie Wages to Living Costs?

The Question: U. S. General Motors has tied wages to cost-of-living index. Would you favor this plan here?

Canadians answering a Financial Post questionnaire show a fairly even and fairly definite division of opinion, on the subject of tying wages to the cost-of-living index. Some favored the proposal; others feared that it would merely start an inflationary spiral, with wage increases forcing living costs up, and vice versa. Some saw merit in the theory, but predicted difficulty in putting it into practice, particularly in the event of living costs falling, which would entail a cut in wage levels.

STUART ARMOUR, Economic Adiser to President, Steel Co. of Canada, Hamilton.

While our prevailing wage rates must and do bear relationship to the cost of living, to link such wages to an index without having at the same time some gurantee of increased per capita productivity would be definitely inflationary. More inflation would make harder the lot of the Canadian consumer and as well make it more difficult for our products to meet price competition in world markets. I would not favor adoption of the General Motors plan in Canada.

• • •

FRANK M. COVERT, K.C., Halifax.

I do not believe it is proper to lay down a general formula that wage increases be tied to the cost-of-living index. This presupposes an accurate index and also, existing wages based on present costs. There is grave danger that adoption of this formula would result in further blowing up the inflation balloon by automatic wage increases, resulting in increased costs and further increases in the index, and so on ad infinitum. Each case stands on its own feet. Most to be said for the formula is that it might be used as a guide to determine the amount of any increase proved necessary. In any event, it should work both ways.

• • •

CYRIL D. HENDERSON, President, Dominion Plywoods Ltd., Brantford.

I am afraid of paying wages based on the rise or fall of a cost-of-living index. Dominion Plywoods Ltd. was, I think, the first company in Canada to introduce a cost-of-living bonus—early in the war, before the government plan was inaugurated. It filled a gap, while the cost of living was increasing, and patriotism and the need for greater production spurred our people to greater efforts. But as a permanent peacetime plan, we are very doubtful. The General Motors plan may work well when the cost of living is increasing; but I think they are headed for trouble when they attempt to reduce wages as the cost of living comes down.

• • •

STEWART S. LEE, General Manager, Cockshutt Plow Co. Brantford.

Basing wages on the cost-of-living index is an interesting experiment, and has been an official guide for some time. Chief weakness is that the cost-of-living index is directly affected by wage increases which increase the cost of goods and also create pressure of purchasing power. Any agreement geared to the index should work both ways, and wages should go down at the same rate they advanced. Customer price acceptance will be the final judge of any wage agreement.

• • •

F. N. McCALLUM, Mayor, Oshawa, Ont.

I think it is a very good thing and it would be acceptable to all labor.

• • •

A. E. MILLARD, President and general manager, Swift Canadian Co. Toronto.

I have not had an opportunity to study thoroughly the wage increase which General Motors bargained out collectively with CIO auto workers. Consequently, I am not in a position to comment on it. Conditions in the automobile industry in the United States may be very different from what they are in the packing industry in Canada.

• • •

A. R. MOSHER, President, The Canadian Congress of Labor, Ottawa.

The workers we represent have opposed tying wages to the cost-of-living index in Canada, because adequate basic wages have not been established in many industries. If basic wages were satisfactory at any period, fluctuations might be acceptable following rise and fall in the cost-of-living index, with the further consideration that such an index should represent the budget of the average worker and his family. It should also be recognized that the General Motors settlement was not based wholly on the cost-of-living index, inasmuch as there is a floor below which wages will not be allowed to fall.

• • •

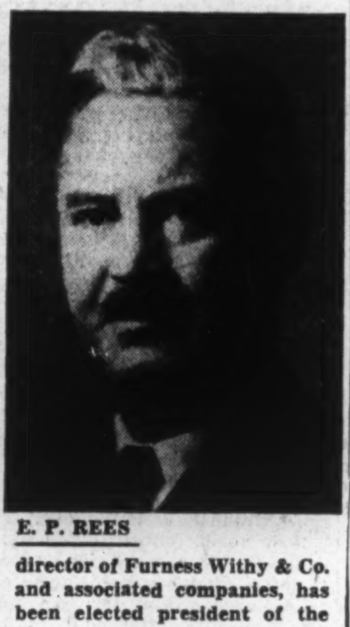
AUTHUR J. REAUME, Mayor, Windsor, Ont.

Once the employer and the employee have come to agreement on what is a fair and equitable basic wage, it appears to me that inclusion of an escalator clause designed to match earnings with fluctuating living costs is a sensible arrangement.

• • •

GORDON RIFE, Mayor, Guelph.

In my opinion wages and cost-of-living are already tied together. If automobiles continue to increase in price, who is going to buy them? Wages, whether we like to admit it or not, have been a large factor in driving prices up, with the consequent result of adding to the inflationary spiral. Why waste time debating which came first, the chicken or the egg? Your question might engage the attention of economists, but probably from six of them you would get six different answers.



E. P. REES

director of Furness Withy & Co. and associated companies, has been elected president of the Shipping Federation of Canada.

• • •

K. O. ROOS, General manager, Booth Lumber Ltd., Tee Lake

Wage rate adjustment based on changes in cost-of-living has considerable merit in providing stability, particularly under wartime conditions and government control. Danger of this policy under current conditions is that it freezes present wage-price relationship and prevents adjustments which may be necessary to retard inflation and to reduce prices. I do not believe it to be a sound policy under normal conditions, except with regard to setting of minimum wage rates.

• • •

F. G. RUTLEY, Vice-pres. and director, The Foundation Co. of Canada, Montreal.

A wage formula of some kind is a necessity, and wage negotiations tied to the cost-of-living index would be a forward step. In the construction industry there are too many unknown costs, especially materials, for a contractor to quote a lump sum figure without adding considerable for contingencies. Hence construction of the lower-priced house is coming to a stop. A formula for adjusting wages by tying them to the cost-of-living would stabilize all costs. Labor and management would both gain, in the long run.

• • •

BIRT SHOWLER, President, Vancouver and New Westminster Trades and Labor Council.

Providing wages are adjusted to previous increase in cost-of-living, an escalator clause in labor contracts, covering possible further increases in living costs, is the fairest way to handle employee-employer relations. Current conditions are such that a large increase in the cost-of-living in the near future is very possible, and some provisions should be made to protect the workers. Failing this, we shall have continuous industrial strife.

• • •

F. E. WRIGHT, President, National Cash Register Co. of Canada, Toronto.

We do not favor tying in wages with the cost-of-living index. Wages are the highest individual item of expense in any business and if they are to continue to fluctuate, so should the selling price of the product, for good business practice. Our last wage increase included a set cost-of-living bonus paid to all employees, and was known as such. Present plans are to adjust wages based on current conditions, and will be maintained for a period of one year.

COMPANY REPORTS

C. W. LINDSAY & CO. net profit for the year ended Feb. 28, 1948 was $81,213 ($78,753). Accounts receivable at year end reflected increased instalment buying, whilst the dollar value of the inventory of merchandise was higher in line with the general trend of retail trade, President Thos. L. Redfern states.

INCOME ACCOUNT

Years Ended Feb. 28-29:	1948	1947
Net earnings	$169,510	$180,977
Less: Bond int.	8,250	18,000
Deprec. res.	19,047	16,224
Taxes	61,000	68,000
Net profit	81,213	78,753
Less: Pref. divd.	17,648	17,648
Surplus for year	63,565	61,105
Times Bond Interest Earned:		
Before deprec.	20.55	10.05
After deprec.	18.24	9.15
Earnings per Share and Dividend Record:		
Pref.: Earned	$18.41	$17.85
Paid	4.00	4.00
Com.: Earned	1.59	1.52
None paid.		

CONDENSED BALANCE SHEET

As at Feb. 28-29:	1948	1947
Cash	$95,833	$48,102
Accts. rec.	464,865	274,944
Dom. bonds▲	100,634	543,442
Inventories	777,495	661,134
Total curr. assets	1,438,827	1,527,622
Deferred chgs., etc.	113,455	92,231
Fixed assets*	792,108	793,770
Total assets	2,344,390	2,413,623
Total curr. liab.	299,350	450,407
Unearned fin. chgs.	38,044	8,059
Funded debt	270,000	300,000
Capital stock	1,270,334	1,270,334
Surplus	466,662	384,823
▲Market value	100,650	565,666
*After deprec. of	290,953	274,053
Working capital	1,139,477	1,077,215

COMMERCIAL ALCOHOLS now has 327,500 shares issued and outstanding. An additional 114,485 shares have been admitted to trading on the Montreal Curb Market.

Champlain Brewery To Triple Output

MONTREAL (Staff)—Production of Champlain Brewery will be tripled as a result of new and modern equipment recently installed, J. E. Savard tells The Financial Post. It was recently reported that he had purchased the Champlain Brewery Co. and property for $2 millions.

Mr. Savard states that the company has received a federal charter which will permit marketing outside Quebec province. No public financing is contemplated at present, but a bond issue may be arranged later, it is stated.

The Certificates offered by Investors Syndicate of Canada, Limited, are designed to assist the individual to accumulate a definite amount of money, which may be withdrawn in a lump sum or as a monthly income. Certificates may be purchased by making regular payments over a specified term of years, or by the payment of a lump sum.

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OF CANADA LIMITED

Head Office: Winnipeg. Offices in Principal Cities.

The RECORD SPEAKS

The Canadian sportsman (may the sun shine on all his week ends) is one of the world's clear-eyed realists. "Talking up a good game" sums up his quick scorn of claims without performance.

When he hasn't both eyes on the ball—they're likely to be looking at the record. Year after year the record speaks for Spalding. The smack of the ball off the club face (on racket or bat) at the major championships is most often the smack of a Spalding ball.

So, if you have a personal record you'd like to improve this year—play Spalding equipment—and bring out the best that's in you.

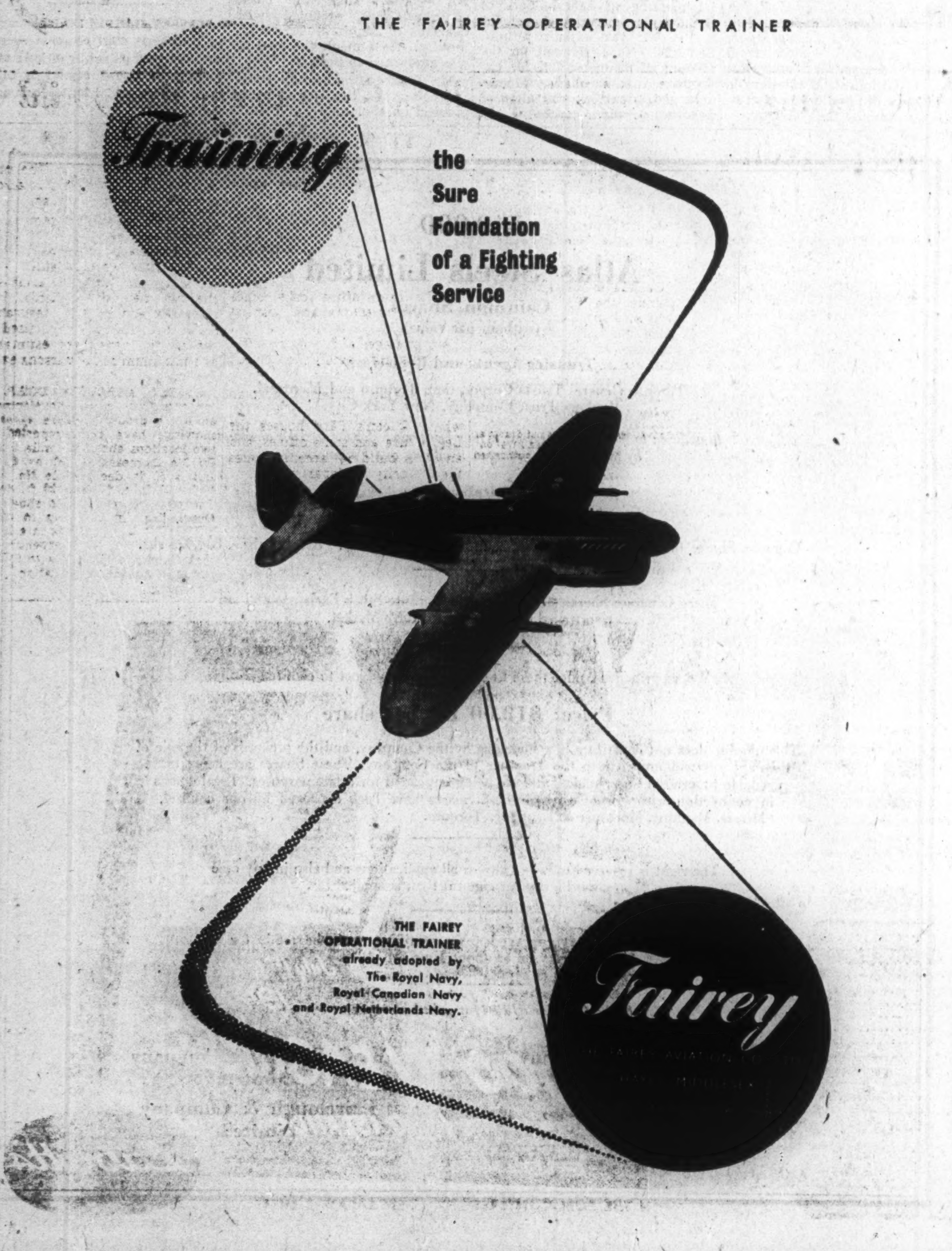
SPORTS FIRSTS

First Baseball
First Golf Club
First Golf Ball
First Tennis Ball
First Foot Ball
First Basket Ball

THE RECORD SPEAKS

SPALDING
SETS THE PACE IN SPORTS

A. G. SPALDING & BROS., CANADA LTD.
BRANTFORD CANADA



THE FAIREY OPERATIONAL TRAINER

Training the Sure Foundation of a Fighting Service

THE FAIREY OPERATIONAL TRAINER already adopted by The Royal Navy, Royal Canadian Navy and Royal Netherlands Navy.

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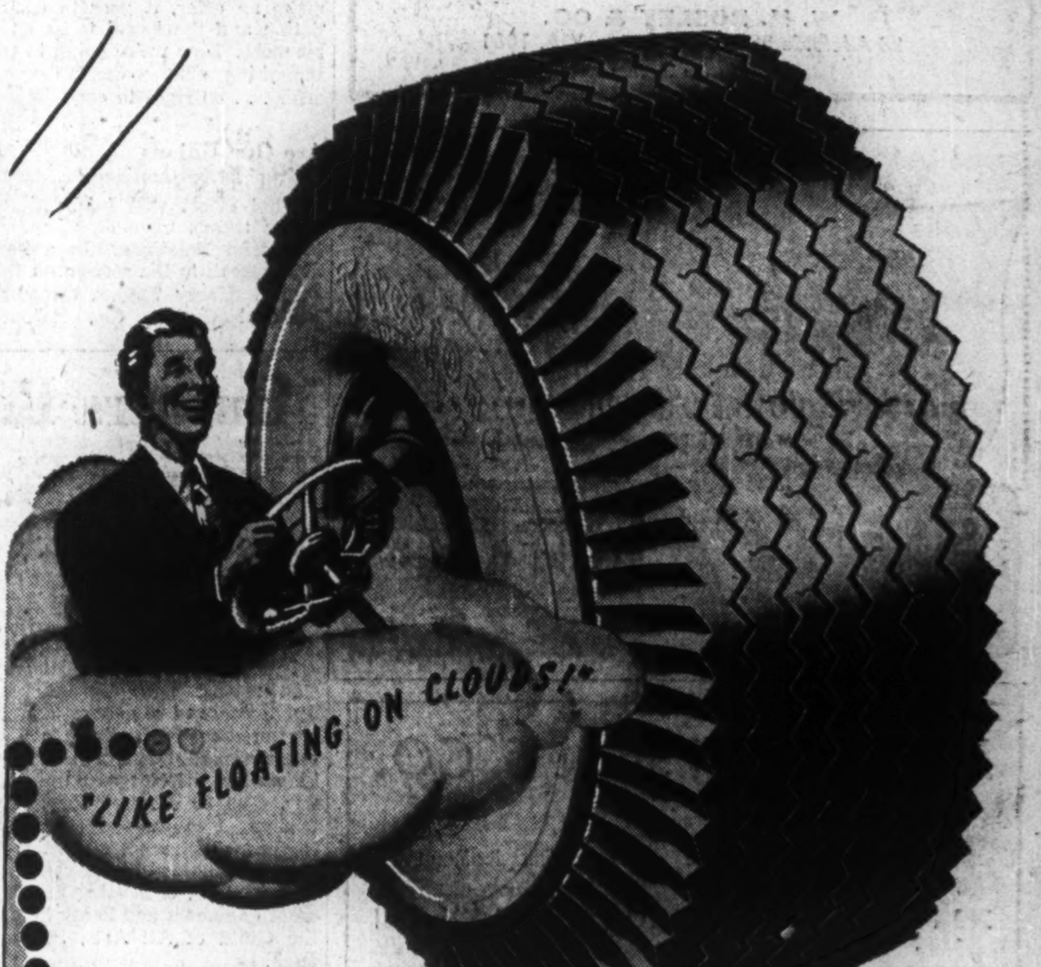
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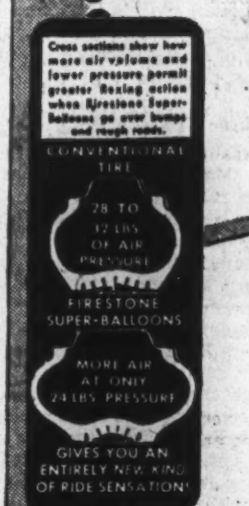
Cushion YOUR CAR with THE NEW Firestone SUPER-BALLOONS

YOUR CAR will ride with new, magic *softness and smoothness*—steer with a feather touch—handle like a charm, especially on curves—hug the road with a new, safe grip—if you put on the new Firestone Super-Balloons. More air at *lower pressure* does it—enabling Super-Balloons to actually pillow your car on softer, yielding cushions of air—cushions that swallow up the bumps before you feel them—giving you a wholly new sensation in restful riding. The development of *Cushion* Tires stems directly from Firestone's invention of Balloon Tires in 1922. Today Firestone Super-Balloons are *demanded* for new cars—and are a modern requirement for old. See your Firestone Dealer about Super-Balloons for *your car now!*


Cross sections show how more air volume and lower pressure permit greater flexing action when Firestone Super-Balloons go over bumps and rough roads.
CONVENTIONAL TIRE
28 TO 32 LBS OF AIR PRESSURE
FIRESTONE SUPER-BALLOONS
MORE AIR AT ONLY 24 LBS PRESSURE
GIVES YOU AN ENTIRELY NEW KIND OF RIDE SENSATION!

Here's what you get in this NEW KIND OF TIRE...

SUPER COMFORT
- Super-Balloons take the punishment from rough roads—save you and your car.
- Enable you to drive farther, faster and longer with less fatigue.
- You get an entirely new sensation in restful riding.
- Give a small car the riding comfort you get in a big car.

SUPER SAFETY
- Super-Balloons give you the greatest protection against skidding ever built into a tire.
- Cooler running—giving greater protection against blowouts.
- More tread area contacts the road, giving greater grip.
- You stop more safely on any road in any weather.

SUPER ECONOMY
- Super-Balloons give more mileage than ordinary tires.
- They lengthen the life of your car by protecting it from shocks.
- You get fewer rattles—and away fewer repair bills.

CANADA'S NUMBER ONE CUSHION TIRE

TRADE IN YOUR OLD TIRES ON NEW FIRESTONE SUPER-BALLOONS —SPECIFY THEM WHEN BUYING A NEW CAR!

FOR SALE
TO SETTLE ESTATE
Apply J.S.SMITH

Death never cancels a mortgage!

A mortgage made it practicable for you to buy that new home of yours. But if you have the usual type of mortgage, and are around 40 years of age, the chances are 1 in 6 that you will not live to see your home clear of debt—a grim prospect for your family in these days of housing shortages.

You can, however, guarantee that mortgage payments may be met through The Imperial Life. When there is mortgage insurance it is the mortgage which moves out at death—not the family. Call your Imperial Life man today.

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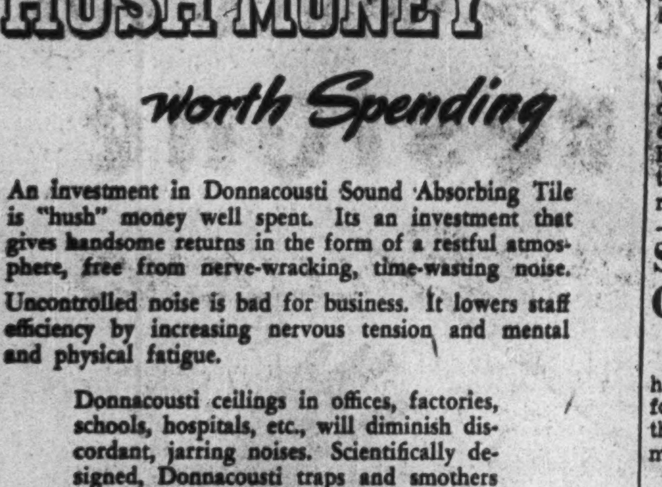

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An investment in Donnacousti Sound Absorbing Tile is "hush" money well spent. Its an investment that gives handsome returns in the form of a restful atmosphere, free from nerve-wracking, time-wasting noise.

Uncontrolled noise is bad for business. It lowers staff efficiency by increasing nervous tension and mental and physical fatigue.

Donnacousti ceilings in offices, factories, schools, hospitals, etc., will diminish discordant, jarring noises. Scientifically designed, Donnacousti traps and smothers excessive sound vibrations, thereby reducing noise and providing a hushed, quiet atmosphere.

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Contact our nearest office for estimates and advice on sound quieting. This service incurs no obligation on your part. Let us mail you our brochure "Quiet Please."

Donnacousti
SOUND ABSORBING Tile
QUIET PLEASE!
MURRAY

See New Accord Ending St. Lawrence Group Feud

Increased Dividends on Second Preferred, Cash Payments to Shareholders, Increased Sinking Fund Payments, Are Terms

MONTREAL (Staff) — Warring factions within the St. Lawrence Corp. group appear to have settled their differences. A Reorganization Advisory Committee, of which Ross Clarkson, chairman of the shareholders' representative committee, and Joseph Mayr, chairman of the Class "A" stockholders protective committee, are members, has agreed on an amended plan of capital reorganization for both the Corporation and Paper Mills, it is stated.

Most important changes in the amended plans include: (a) an increase in the dividend on the second preferred stock of both companies (b) cash payments to preferred shareholders of both. (c) increased sinking fund payments. Shareholders of both companies will meet near the end of June to consider the new proposals.

Meet Court Objections?

While the companies have come to agreement with the Mayr interests, some shareholders have raised the question as to how far the amended plans meet some of the objections expressed in Mr. Justice Boyer's judgment of last January, when the original plan was quashed by court order. Mr. Justice Boyer stated the following points:

(1) It is evident accordingly, that the arrangement is for the sole benefit of the common shareholders, for, by delaying the payment of the accumulated dividends, their position is not only no worse, but it is improved as it will have the effect of hastening the time when they may receive a dividend.

(2) On the other hand, the position of the preferred shareholders is impaired, because the payment of the accumulated dividends to which they are entitled is deferred and because the prospect of their being paid, while good now, in view of the present inflation and vastly increased price of newsprint (almost double), may not be so good in the course of time, when there may be a depression, as occurred after the first war.

(3) The arrangement is not in the interest of the company, as the accrued dividends are not a debt of the company and do not affect its financial position and solvency.

(4) As regards the principle concerning the matter in the first place, (compromise or arrangement) the object of this section of the law is to enable a company to finance by issue of bonds or stock which might not be readily saleable without a reorganization of the capital structure of the company; in other words, in the interest of the company.

Mr. Justice Boyer also raised a question as to the amount of information given to shareholders.

Better for Preferred

Under the revised plans, the preferred shareholders of both the St. Lawrence Corp. and Paper Mills get a considerably better deal. Dividends on the corporation's new second preferred are stepped up 50% from 50c to 75c a share per annum. On the Paper Mills, second preferred dividends are increased from $2 a share to $2.40. Increased minimum sinking fund payments for the retirement of the second preferreds of both companies also offer preferred shareholders the prospect of an earlier retirement of the accrued dividend liability represented by the second preferred shares.

Under the amended plan, preferred shareholders will receive a cash payment. In the case of St. Lawrence Corp., this will be $2 per share held, representing the dividend for the half year in 1948, plus one dollar on arrears. This will reduce the arrears to $20 and thereby reduce the redemption price of the second preferred from $21 to $20.

In the case of the Paper Mills, the cash payment will be $7.75, $4.75 on arrears and $3 for the half-yearly dividend in 1948. This will also result in a reduction in the redemption price of the second preferred from $65 to $60; since arrears will have been reduced to $60.

How Plans Compare

Following is a comparison of the main provisions of the original and amended plans:

	Original Plan	Amended Plan
St. Lawrence Corp.		
1st preferred:		
Par value	$49.00	$49.00
Dividends	2.00	2.00
Redemption price	55.00	55.00
Cash payment	....	2.00
2nd preferred:		
Par value	1.00	1.00
Dividends	.50	.75
Redemption price	21.00	20.00
Sinking funds	One half of net remaining after preferred dividends	All of the first $500,000 plus one half the remaining net
St. Lawrence Paper Mills		
1st preferred:		
Par value	99.00	99.00
Dividends	6.00	6.00
Redemption price	105.00	105.00
Sinking funds	....	S. f. of 25% of net earnings annually to start after retirement of 2nd preferred
Cash	....	7.75
2nd preferred:		
Par value	1.00	1.00
Dividends	2.00	2.40
Redemption price	65.00	60.00
Sinking funds	$800,000 or 40% of earnings whichever lower	One million dollars or 50% of earnings

Tractor is 'Motor Vehicle' Impounded in Highway Crash

From Our Own Correspondent

WINNIPEG—For the farmer who owns it, a tractor may be a farm implement; but when it travels on the highways at more than 10 miles an hour, it becomes a motor vehicle, under the terms of the Manitoba Highway Traffic Act. As such, it is subject to the Safety-Responsibility law of the highways and if its operator can't produce evidence of financial responsibility, his tractor may be impounded.

A Manitoba farmer found out all this when his tractor collided with another motor vehicle. For one dollar he could have registered his tractor as a motor vehicle. For another $5 he could have taken out an insurance policy and received protection from the insurance company with standard limits of $5,000 and $10,000 for public liability and $1,000 for property damage.

He had not done this, however, and, because he was unable to produce proof of financial responsibility, his tractor was temporarily impounded. He had to put up $450 to get it out of pound, as a guarantee to take care of any claim the owner of the car might have against him for damages. He then had to furnish proof of financial responsibility by filing a certificate from an insurance company.

He faces a claim from the owner of the damaged car, if the courts find him responsible for the accident; and he is being charged in police court with neglect to register a tractor as a motor vehicle. This is the first time a tractor has been impounded since the Safety-Responsibility law came into effect in December, 1945.

Sask. Power Rate Cut Fourth Time

From Our Own Correspondent

REGINA—A reduction of one half to one cent per kilowatt hour for electrical service on lines of the Saskatchewan Power Commission became effective June 1.

Fourth cut made in four years, it will affect the greater number of urban and rural centres served by the commission. (The last rate cut was made July 1, 1947; earlier ones in May, 1945, and June, 1946.)

Most of the centres will get a reduction of one cent per kilowatt hour, although in some cases it will be one half cent per kwh.

Most centres will get the maximum reduction; although in some coses the half-cent cut will apply on the first block of current for residential lighting, commercial lighting, residential combination and commercial power service.

The commission serves 45,087 consumers, located in 343 cities, towns, villages and hamlets, in addition to about 1,000 rural customers.

The reduction has been made possible despite increased cost of fuel, material and labor, through the consolidation of various power systems in the province into one unit, Resources Minister J. L. Phelps stated.

DUVAY GOLD MINES May 15 installment of 75,000 shares at 10 cents a share and each subsequent installment have been extended for one month.

ONTARIO HOLIDAY
Scrapbook

CRUISE along Lover's Lane, around the Fiddler's Elbow, through the Needle's Eye. You'll find these enchanting places and many more in the 1000 Islands which lie just beyond Kingston at Gananoque's doorstep where Lake Ontario pours into the mighty St. Lawrence. For route and accommodation details write to Ontario Holiday, Room 1004, Victory Building, Toronto.

LET'S MAKE THEM WANT TO COME BACK

Let's see they get the best we have to offer. Everyone benefits from the income tourist business brings to Ontario. So it's in your interest to encourage your friends from other parts to share our Ontario Holidays.

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Non-Sterling Export Credits Lower in 1947

Canadian government net export credits to governments other than the United Kingdom and the sterling area amounted to $140 millions in 1947 ($209.7 millions in 1946), the FECB annual report reveals.

As Canada had a current account surplus with these countries of $313 millions in 1947 ($306 million in 1946), this would indicate that a smaller proportion of this surplus was financed through government credits last year (44.8% in 1947, 68.5% in 1946).

The amounts not drawn are not frozen or blocked in any way, The Financial Post is told. They can be drawn on for any purpose included in the original terms of agreement under which the credit was advanced.

Net loans and advances extended by Canada to foreign governments under the War Appropriation Acts and the Export Credits Insurance Act from 1945 to 1947 and the undrawn balance of credits under the latter Act are shown in the following table from the FECB report.

Net Loans and Advances to Foreign Governments Other Than the U. K.
(Millions of Canadian dollars)

	Credits authorized under E.C.I.A.	Net loans and advances[1]			Amounts not drawn as at Dec. 31/47 on credits authorized
		1945	1946	1947	
France	242.5	34.9	108.9	54.6	44.1
Netherlands	125.0	29.8	34.2	40.6	20.4
Belgium	100.0	22.5	30.1	12.3	33.0
China	60.0	...	16.5	16.1	27.4
Norway	30.0	6.2	10.2	3.6	10.0
Czechoslovakia	19.0	0.7	3.2	8.2	6.9
Netherlands Indies	15.0	0.6	4.3	4.6	5.0
U.S.S.R.	3.0	9.9	1.8	..	0.1
	594.5	104.6	209.7	140.0	146.9

[1] Advances made under War Appropriation Acts and loans under the Export Credit Insurance Act, less repayments. All advances under War Appropriations Acts had been repaid by Dec. 31, 1947, except $8.8 million to the U.S.S.R.

B. C. Government Must Build To House New Departments

From Our Own Correspondent

VICTORIA—With office space already at a premium and two huge new departments imminent, the Provincial Government may make a fast start on its $1,250,000, four-story office building, shelved earlier because of high costs.

Pressure on office space comes from the sales tax and hospital insurance departments, now in the first stages of formation. The new building was planned before either was considered.

The setup under this plan would be similar to Toronto, where Queen's Park houses the Legislature and some offices, and another building accommodates the majority of departments.

British Columbia's stately Legislative Buildings overlooking Victoria's Inner Harbor were 50 years old this year. Property for the new building was acquired last year, much of it coming from the city in a straight swap for land for a new school. The property, a full city block, is across from the present buildings.

A new $180,000 temporary building is now ready for occupancy, but a dozen departments, awaiting the word to enter, will probably have to stand aside for the two new departments. The sales tax and hospital insurance staffs, both slated to be housed in the capital, have been estimated at a minimum of 150 persons each.

UNITED ASBESTOS CORP. is concentrating initial development on No. 6 property where asbestos showings have been reported at two locations about one mile apart. Pit No. 1 measures 100 by 60 ft. and is 50 ft. deep, while No. 2 is 40 by 30 ft. and about 20 ft. deep. The pits are reported to show asbestos fibre in place up to three quarters of an inch thick in a large area of well-fractured serpentinized rock. Diamond drilling is to follow current surface exploration and surveying.

Kay & Doris at Lover's Lane—they said the water was fine—so were they!
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YORK KNITTING MILLS LTD. announces 232,976 class B shares have been allotted and issued, the majority under offering of rights to class B shareholders of record April 23 last and the balance against further subscriptions received by the company. As a result of this issue, there are now 700,000 class B shares issued and outstanding.

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DS-79
SHOPS OR AGENCIES IN PRINCIPAL CITIES

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Invisible Alarm

Connecticut-made photo-electric burglar alarm uses invisible rays to foil burglars who get through visible beams by shining a flashlight into the phototube.

• • •

Welding Valve

Waste of oxygen and acetylene in shops doing production welding is said to be avoided by means of quick-acting shut-off valve known as "Oxweld V-31 dual shut-off station valve." When welding is interrupted, operator hangs blowpipe on handy hook, and gas consumption immediatly stops. Valve is equipped with pilot light for relighting: operator lifts the blowpipe from the hook, passes tip over light, and is ready to begin welding with the same flame adjustment.

• • •

Lard Preserver

American Meat Institute announces discovery of chemical mixture which, it claims, will keep lard sweet for more than two years. Potato chips made from treated lard will keep 50 times longer.

• • •

Weighing-counting Scales

New-type scales introduced by Massachusetts firm are mounted on wheels and four-foot high legs. Instrument is rolled over boxes, barrels, drums, etc., up to maximum weight of 1,000 pounds. Standard "grabs" are fastened, and a hydraulic lift swings the load clear of the floor. This allows reading to be taken without time-consuming transportation of goods to central scale installation. Scales also count pieces weighing one ounce or more.

• • •

Hair Drier

Los Angeles-made hair drier can be worn covered by a scarf to look like a turban. Mineral compound inside lining absorbs dampness within two hours, and "Turban-ette" can then be dried in oven for re-use.

• • •

Insect-killing Fog

New petroleum product, coupled with DDT or other chemicals, has been developed especially for use in aerosol fogging, considered to be the most practical method of controlling insects over wide or relatively inaccessible areas. Fogs can be generated by ground equipment or from aircraft with such effectiveness that as little as 1½ pints of concentrated insecticide per acre is necessary. The new product, "S/V Sovacide F" has been tested under a variety of outdoor conditions in the United States, and is available now in commercial quantities.

• • •

Badminton Shuttlecock

Toronto firm is making a badminton shuttlecock which features a Tenite plastic crown, weighing only one fortieth of an ounce yet extremely tough and resilient. Crown surmounts a kid-cover cork head. Feathers are placed through molded holes around the edge of the crown, and securely anchored in corresponding holes drilled in the cork.

• • •

Infant's Wardrobe Bag

Wardrobe bag designed especially for infants is made by New York firm of plastic; holds 10 of baby's dresses and coats, four pairs of shoes, plus storage space for other clothing. Said to be impervious to dirt, grease or acids, and wipes clean with a damp cloth.

• • •

Rod and Reel Holder

Tenite plastic device anchors rod and reel on bank without letting them touch sand and gravel. Molded over a threaded brass bushing, the holder elevates rod and reel on a 23-inch metal rod which is planted in the bank. The rod lies in a trough in the holder, while prongs at the back secure the reel. Holder is also sold with boat clamp.

• • •

Reservation Robot

"Intelex" automatic reservations system is designed for airlines, railroads, bus companies, steamship lines, hotels, and theatres; claims to handle requests for space in seconds, with absolute precision and at less cost than present methods of operation. System may also be used in inventory control, scheduling of machine operations, debit and credit bookkeeping, and department store credit authorization. "Intelex" may be compared to modern dial telephone switching system, except that it is geared to more complex problem of reservations.

• • •

Portable d-c Welder

Light weight and portability are features of "Sureweld" d-c welding outfit. Weighing 330 pounds and equipped with two rubber-tired wheels, this 150-ampere machine can be stowed into small panel trucks, wrecking cars, station wagons, or trunk compartments of large cars; can be carried or wheeled across fields or construction sites, into mines or hulls of ships, etc. Requires no outside electric power supply, generating its own by means of 10-hp gasoline air-cooled engine.

• • •

Three-way Moth Killer

Philadelphia-made moth killer claims to combine advantages of both vapor-type and contact-type moth killers—that is, it kills moth and larvae in three ways: by external contact, by its action as a stomach poison, and by depriving them of oxygen. Product is easily applied with a sprayer; has pleasant odor and nonstaining characteristics: is said to be equally deadly to ants and roaches.

• • •

Color Tubing

Color armored tubing made by Ohio firm is easily fabricated to any desired size and shape. Uses include structural members for tubular frame furniture, fixtures, garment racks, guard rails, stanchions, seat grab rails in transit vehicles, and color-coded fluid lines in processing plants. Product is an electrically welded steel tube, covered with a 1/32-inch coating of plastic coating armor; said to be self-cleaning and tough enough to resist violent shocks without cracking, fracturing, or peeling.

• • •

"Safety" Movie Film

New type motion picture "safety film," described recently to Society of Motion Picture Engineers in Santa Monica, Calif., is made by retaining chemical "acetyl groups" which were washed away in earlier processes. Projection quality, which is better than earlier safety film, is said to equal the faster-burning nitrate film in screen steadiness and appearance.

• • •

Removes Stuck Tires

Removal of stuck or frozen truck tires can be accomplished without battering the tire or rim, according to Texas maker of a hydraulic machine designed for that purpose. Machine is built of cast aluminum, weighs approximately 275 pounds, will handle all sizes of truck tires from 6:30 x 16 to 11:50 x 20; and is reputed to have a maximum equal pressure of 25,000 pounds.

• • •

Pneumatic Riveter

Detroit-made riveting machine combines hammer action with rotation supplied by an air motor; operates off both line pressure and exhaust air from four interchangeable capacity heads.

• • •

Beer Tank Gauge

Gauge glasses for brewery storage tanks are made by New York firm out of continuously extruded Tenite plastic. They are said to have no effect on taste of beer, cleanable by solutions now normally used, and virtually unbreakable.

HAROLD H. LEATHER

has been elected a director of Burlington Steel Co.

Fly Two Million Bees to Alberta More to Follow

From Our Own Correspondent

EDMONTON—First large commercial shipment of bees to Alberta by air brought two million of them in 200 packages from Davis, Calif., bound for the Frontier Honey Co., Westlock.

W. C. LeMaistre, provincial apiarist, commented; "The bees were in excellent condition; this venture was so successful that shipment by air probably will become a common thing." Smaller shipments have been made before.

Clyde Gault, manager of the Frontier Honey Co., said he had delayed ordering because of the late spring. Then as spring advanced rapidly, he decided to ship the bees by air to save time.

B. C. to Export Power to U. S.

From Our Own Correspondent

VANCOUVER — Vancouver which last year was forced to buy electric power from the United States, expects to be able to reciprocate in 1949, by selling power to northwestern states .

British Columbia Electric's new Bridge River power development is expected to provide this city with 600,000 hp; and a quantity of this will be exported to the Bonneville Power Administration which supplied Vancouver and part of the lower mainland last year.

Vancouver was short on power last year, and only obtained U. S. electricity through the foresight of officials who had made a deal with Bonneville earlier. The northwestern States were short of power during the winter and it is doubtful if there would have been enough to go around if B. C. had sought a deal any later.

Last year Vancouver used 290,000 horsepower of electrical energy, most of this being produced in surrounding B. C. Electric hydro plants. This year the city has adequate power which will be supplemented by 62,000 more horsepower from Bridge River in the autumn; another similar amount from the same development in January and 62,000 hp more in October of 1949.

The Bridge River development is a $23 million project in the famous gold mining section of this province. The B. C. Electric is erecting dams on Bridge River itself which flows into the Fraser River.

Behind these dams the company has drilled a 13,000-ft. tunnel through Mission Mountain, diverting the water to the other side. There penstocks will carry the water to the turbines at the edge of Seton Lake 1,200 feet below the mountain tunnel.

PEN-REY GOLD MINES balance of option outstanding to Stuyvesant-North, comprising 650,000 shares at 15 to 40 cents a share, has been terminated by mutual consent. By May 26 agreement Stuyvesant-North has underwritten 100,000 shares at 10 cents, payable forthwith and optioned 550,000 shares as follows: 100,000 shares at 10 cents; 100,000 shares at 12½; 100,000 shares at 15; 100,000 shares at 20; 100,000 shares at 25 cents and 50,000 shares at 40 cents, all payable by Dec. 22. Upon issue of shares underwritten issued capital will be 3,940,005 shares.

PRESSED METALS OF AMERICA, INC. announces that under provisions of the stock dividend paid May 20 last, 13,426 shares have been issued, increasing issued capital to 281,996 shares, leaving 18,004 in treasury.

University of Alberta Library Foundation In

From Our Own Correspondent

EDMONTON — Poole Construction here is awarded general contract to build the University of Alberta's $1 million to $1.5 million library here. Foundation work is nearing completion and Dominion Bridge has structural steel fabrication and erection contract in hand.

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ST. ANTHONY MINES is negotiating with Hydro-Electric Power Commission of Ontario to erect a transmission line from Sioux Lookout substation to company's substation some eight miles west of the mine. Since suspending operations in January, 1942, company has resurveyed underground cross-sections, assay plans, ore reserves and possibilities of developing additional ore in the mine, President H. P. Bellingham states. From survey of the mine, proven and probable ore reserves are estimated at 47,872 tons averaging $16.54, possible ore, developed on one side, 7,662 tons averaging $9.61 and broken ore in stopes, 7,763 tons averaging $11.95.

Current assets were $5,435 and liabilities $1,984 at Dec. 31, 1947.

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The Financial Post

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What's Lowdown on Leduc Oil?

Petroleum Treasure Hunt Pays Off But How Will It Affect Our Economy?

By GORDON M. GRANT

Sir Stephen Lennard, last year's president of the Vancouver Stock Exchange, has described the Leduc oil discovery as the "outstanding economic event in Canada in 1947."

It had its birth on a wintry day on Feb. 13, 1947, in a towering pillar of fire and smoke engulfing a lone derrick north of Edmonton, Alta.

Since then oil and Leduc have become economic watchwords. It's still too early to measure the full impact of Imperial Oil's Discovery well on Canada's industrial life in general and the search for oil in particular. But an interim stock-taking shows some very definite economic assets are already piling up.

Perhaps the most important effect was what it did to the jaded search for oil. The Leduc find was like a shot of adrenalin to discouraged oil-seekers. Today due entirely to this shot-in-the-arm, Western Canada has become the foremost active oil exploration area in the Western hemisphere.

United States oil companies are flocking in. In April, CPR which owns mineral rights on hundreds of potentially oil-bearing acres, closed the greatest single deal in the West's oil history: CPR came to terms with big U. S. Socony-Vacuum to explore 1.8 million acres in Southern Alberta. In little more than a month CPR stock jumped from $12⅝ to $21⅝.

Saves U. S. Dollars

Equally as important is what it means in terms of U. S. dollars. At a time when Canada needs every bit of American exchange she can lay her hands on, the current oil boom is doubly significant. Even with this additional Western production, Canadian oil output (about 7%) is still only a drop in the bucket compared with what we consume. But on the critical exchange front, every extra barrel produced is U. S. dollars saved.

Here, suggest some experts, may be the ultimate answer to Canada's self-sufficiency in oil. Every barrel which flows from a new Western well means one less has to be imported; every new well reduces the strain on our transportation and the drain on our U. S. dollars.

The new development came at an opportune time; when consumption was piling up new records and when oil had to be hauled farther and at greater cost to satisfy the insatiable maw of Canada's refineries. It came at a time when domestic production was petering out.

It also had a chain reaction effect. In far-off Yukon, men rolled up their sleeves and went to work dismantling a refinery to ship to Edmonton to be set up there. Tradesmen, store-keepers, construction workers, land surveyors, bank clerks, taxi-drivers, hotel keepers, all are sharing in the boom.

The Western oil actuality is impressive. But it's potentiality is even more so. This is believed to be behind the recent upsurge in oil stocks and in CPR shares—No oil has been found yet on CPR-owned land but the public apparently figures it is a sure thing.

In 17 months since the No. I discovery well kicked in, Canada has become the largest oil producer in the British Empire. Previously we were second to Trinidad.

Today 60 drills are biting into the earth below Alberta's rich farmland. Imperial Oil conservatively estimates that the field contains recoverable reserves amounting to 150-200 million bbls.

At today's prices ($3.45 bbl) that's around $600 million worth. Other estimates place the value at $1 billion.

The CPR deal — and CPR market rise — are convincing evidence of the tremendous stress the investing public lays on Western Canada land favorable for oil. And, CPR hasn't been the only stock to soar upward because of hopes that Western Canada oil business is now going to open up like it never has before.

Territory Still Available

But despite the huge over-all acreage of reservations taken up, there is still plenty of territory favorable for oil which hasn't yet been investigated.

Western Canada has close to 800,000 sq. m. (shown in white on accompanying map). This represents well over 500 million acres — a lot of ground in the oil business. The U. S. has far more than this. But favorable areas in Canada, unlike those in the U. S., are comparatively virgin.

But there is more to the big search for oil in Western Canada than the fact that an extremely prolific oil field has been found. What excites the geologists is the immense area of similar formation; which looks just as good as Leduc did before seismic tests were started.

The great sedimentary belt now being tested has been the source of most of the crude production in the U. S. Much of U. S. output comes from the Devonian formation which is the geological formation which yields oil at Leduc. Devonian is also the producing formation at Norman Wells so that productive possibilities of this geological strata have been pretty well demonstrated in Canada right through to the Arctic.

20,000 Bbls. A Day At Leduc?

Canadian oil production, of course, is still only a "drop in the bucket" compared with what is being piped from the sedimentary rocks in the U. S. Leduc, at present is good for 6,000 bbls. a day with Turner Valley able to turn out about 15,000 bbls. a day But this production appears likely to be augmented very rapidly.

Plans call for 130 wells at Leduc this year, bringing production of 20,000 bbls. per day by year end. "With moderate optimism on the prospects of further discoveries in the Edmonton area, a production of 65,000-70,000 bbls. per day can be visualized within three years' time," declares an official of Imperial Oil.

Results secured in the U. S. suggest, however, that production levels far beyond this may eventually be attained. The Texas-Gulf Coast field turns out 2.5 million bbls. a day; California 900,000 bbls.; Mid-Continent field 700,000 bbls.; Louisiana 439,000 bbls.

It wouldn't take many oil fields of the Leduc calibre to boost us to the level of Louisiana over the course of the next few years, the experts think.

For almost a decade after discovery of Turner crude in 1936, exploration on the plains took a "back seat" to the oil search in the Alberta foothills. Oil was found on the plains in quite a few places — Lloydminster, Taber, Princess, Conrad, Vermilion, etc. — but crude was usually low grade and wells were small. It remained for Leduc in 1947 to show that major production of good grade oil could be secured.

Foothills Not Ignored

But the foothills aren't being ignored just because the plains are now getting well-deserved attention. South of Turner Valley and not far north of the international boundary, Canadian Gulf appears to have struck an oil pool accompanied by tremendous gas pressure at Pincher Creek. Oil came in at around 10,000-ft. depth. The discovery well is being extended at present below the 12,000-ft. horizon to determine if other productive horizons exist. A second well is now drilling.

It has been estimated that on open flow, the initial well could produce 44 million cu. ft. of gas plus 1,000 bbls. of high gravity crude oil daily. The extent of the oil occurrence remains to be established by further drilling.

North of Turner Valley at Jumping Pound, Shell Oil has demonstrated a deep structure containing great gas pressure and some high gravity crude. It thus appears that Turner Valley has not just been a foothills "freak." Oil men see other fields emerging in the foothills belt which extends for hundreds of miles north from the 49th parallel.

While Turner Valley itself has been producing steadily since the 1946 strike, Home Oil is currently engaging in a drilling program which may add materially to the productive area this summer. After 94 million bbls. of production, 31 million bbls. of crude is estimated to remain.

On the plains, Canada has a major "heavy crude" field at Lloydminster. This has three main sectors, extending for more than 30 miles across the Saskatchewan-Alberta border. Because heavy crude has only a very low gasoline yield and is chiefly useful for fuel and asphalt, Lloydminster has not caused excitement comparable to Leduc. But value of proven reserves is estimated at a minimum of $45 millions; potential runs many times this. Wells can be drilled cheaply and quickly. Lloydminster is known as the poor man's oil field.

Tar Sands Still Produce

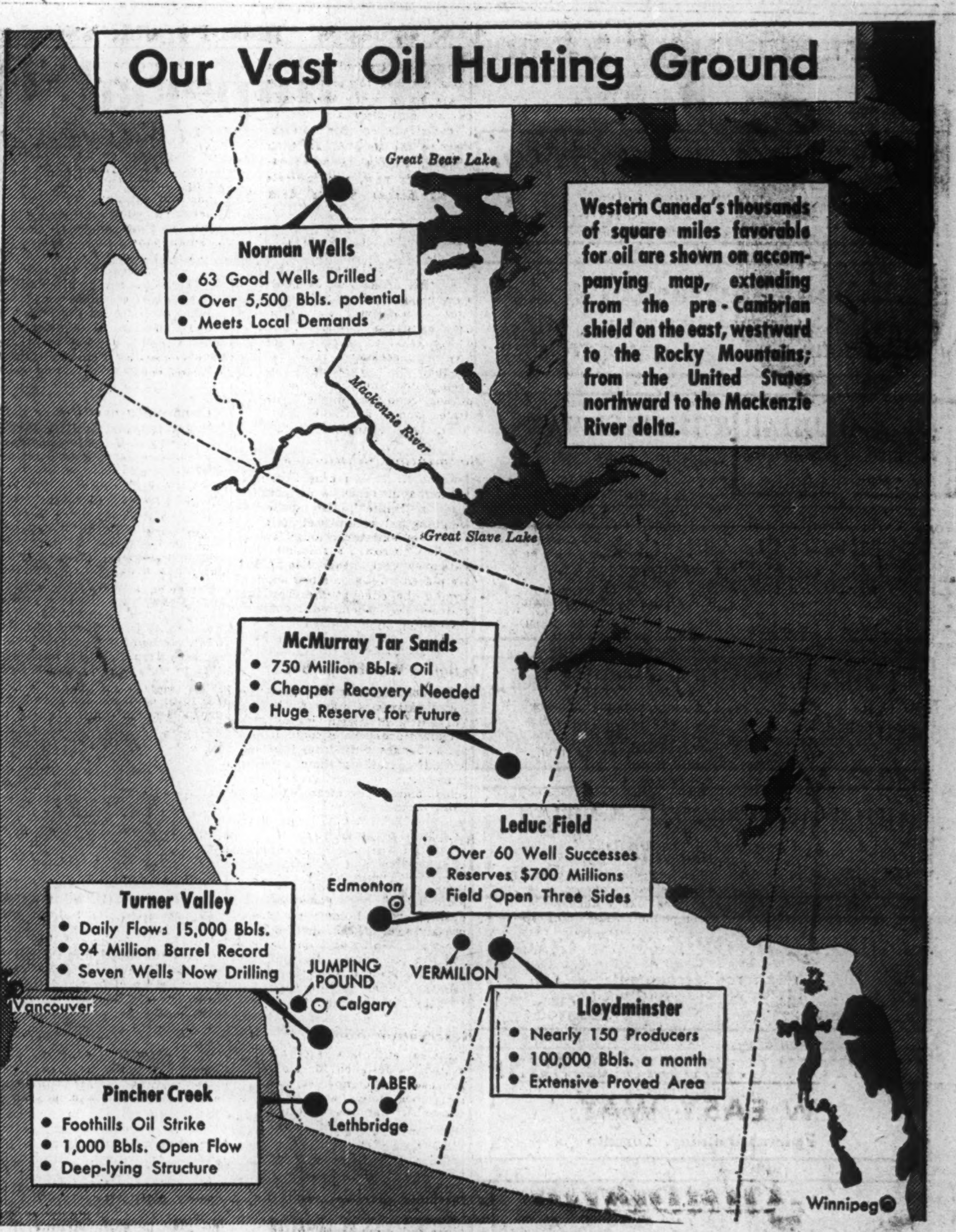
One of Western Canada's oldest known oil resources is the Fort McMurray bituminous sands or the Athabaska tar sands as they are commonly called.

Twenty years ago reserves of oil in these sands were estimated at 100 billion barrels— or about two and a half times the known oil reserves of the world. More recently it has been estimated that 750 million bbls. of oil could be recovered by open cut methods — granted suitable and economic treatment processes.

Extensive research has been carried out on the McMurray bituminous sands by private industry and the Dominion and Alberta Governments. While it is believed at least one recovery-treatment process has been evolved, the question of production cost has so far proven an insurmountable barrier to commercial utilization. As the world uses up its more accessible supplies of crude, however, the tar sands will enjoy an excellent chance of coming into their own.

The Fort Norman oil field produced some 1,223,675 bbls. of oil in 1944 — its peak production year. Output would have been greater even in that year except for limitations of pipeline capacity. Now that the war is over, production is but a small fraction of the wartime level because the field is only supplying local demands. There is no question that the field's 63 wells could turn out a very substantial volume of oil if required. And further wells could be drilled to enlarge productive capacity further. The general region of Fort Norman is regarded as favorable for the finding of further fields. But a market is a prerequisite.

As Canada is only producing 7% of the 97 million bbls. of oil products a year (270,000 bbls. daily) which this country consumes, our oil industry is still heavily dependent on imported crude supplies. That dependence on foreign supplies will undoubtedly continue for years. But with the discovery of a major source of crude at Leduc and extensive further oil indications, the hope has been sharpened that Canada may ultimately shed this dependence on foreign crude.



What Kind of a Car Do Canadians Really Want?

Automen Tell What Governs Car Styles and Trends

By RONALD WILLIAMS

This year, the 50th anniversary of the appearance in Canada of the gasoline-powered automobile, a car-starved salesman sat down and wrote to an auto manufacturer to air a growing plea:

"What this country needs is a good 1948 Model A car. When are you going to make a good cheap car again?"

He might as well have asked for the moon.

The all-new Mercury costs $2,835 delivered in Toronto. Even the small English cars make a big hole in $2,000. In 1939 you could get a Ford super deluxe 4-door for $1,008 in Windsor. Today it costs $1,783. (The new Fords coming out soon will likely be higher still.)

No one realizes more than the automen themselves that high prices are squeezing thousands of potential customers out into the cold. But there doesn't seem to be much they can do about it at the moment.

Ford and General Motors plans to make a lighter car have been shelved temporarily. Even had they brought one out, most people in the business agree, the price would have been high compared with prewar.

A good chunk of today's fancy price is due to increased taxation. On the cheaper cars it amounts to about $338. Then production costs are up about 50%. A car which cost $600 to build in 1939 costs $900 today.

There isn't much the industry can do about this part of the price jump. Car-making costs have gone up like bread-making and everything else.

As for the new excise tax, that's up to Ottawa. Until it begins to cause unemployment, Finance Minister Abbott says it's going to stay on.

But these price factors aren't responsible for all the increase by any means. A good slice of it is traceable to public demand and need for a bigger, better, heavier car.

That transition costs money. Who else is there but the motorist to pay for no-draft ventilation; automatic clutch; hydraulic brakes; gearshift on the steering column; independent front-wheel springing; streamlined bodies; fancy upholstery, etc.?

Recently Ford Vice-president and Director of Engineering and Research Harold T. Youngren said: "Auto makers did not arbitrarily increase the size and cost of cars in the face of public resistance. They simply filled an overwhelming need for bigger cars.

Need Governs Design

Agreeing, Ford of Canada's Vice-president R. M. Sale adds: "The vast majority have indicated by poll and survey that they want a good husky automobile capable of long hard trips.

"Back in 1914, the heyday of the Model T, needs were simple . . . an open body . . . any color you like as long as it was some shade of black . . . extra charges for top and windshield. It sold in Canada for $590."

In those days there were scarcely any surfaced roads; 50 miles was a long trip. It took from Saturday morning until Sunday night to go from Toronto to Windsor. Today a motorist thinks he's crawling if he can't do the trip in eight or nine hours.

To make that speed possible and safe, the public demanded bigger and safer cars. Every innovation or improvement costs that much more; just as the car of tomorrow and the day after, now in the planning stages, are going to cost more.

What will these new cars be like; what public needs will govern automotive design? Here's what Engineer Youngren has to say: "Today an ever-mounting NEED for a better ride has the industry on its toes . . . We must produce cars with more comfortable seats, better vision and ventilation, particularly in bad weather driving.

In its original form, Youngren goes on, the passenger car was designed to carry people only . . . now need demands that it carry people and things . . . More and more cars are becoming "rooms on wheels." . . . That spells bigger, heavier cars not lighter, smaller ones.

But with an eye cocked to the future, the industry is concentrating on developments which will make cars cheaper to operate.

Small economical engines are on the way. General Motors is getting set to produce a new Kettering high compression engine expected to save up to 33% in gasoline. Other companies are developing power boosting devices which inject water and alcohol mixture into gasoline cylinders to increase their efficiency.

Others are trying to develop a cheap automatic transmission to eliminate the gearshift in low-cost cars. G. M. is searching for something as good as Buick's Dynaflow transmission but at a cost well below present levels. Ford engineers are also reported to be working on a cheap automatic transmission.

But don't expect anything really radical. Bodies of plastic or lightweight metal are still in the future. Lower costs are still more important than less weight. Lighter metals like aluminum would give a light car but until new methods of machining are developed, the cost will be higher. The same thing applies to plastics.

Tomorrow's car will feature one-piece, curving windshields, rear window ventilation; wider wheel rims for balloon tires; lower hoods to accommodate smaller, more powerful engines; wrap-around bumpers. And on luxury models, automatic window lifts, built-in jacks

Many of these refinements may not appear for two or three years yet but engineers insist that other innovations which have been talked about in recent years — rear engines (except the Tucker) and small, cheap cars, are still a long way off.

Many automotive refinements now accepted as standard equipment were once in-the-future category. But, say automen, public need made them automotive musts.

For example: the gearshift lever on the steering column is actually 40 years old. It was introduced by Pierce in 1903. More and more women began to drive and the need developed for a more simple, easier-to-operate gearshift. The result: the synchromesh transmission and the gearshift lever on the steering wheel and a higher priced car.

The same thing applies to the rear engine car. Engines have been mounted in the rear of European cars since 1888 and at times quite a few American cars have employed this feature. Should there occur a definite need for a vehicle of this type, the rear engine may reappear on the American scene, says Mr. Youngren.

Four-wheel brakes were available 10 years before they were adopted. Why the delay? Because there wasn't a real need for them; because cars travelled at relatively low speeds and traffic was light. Two-wheel brakes were adequate for those conditions.

The same holds true of all-metal bodies. Manufacturers knew how to make all-metal bodies long before they became standard but not until the public need supplied the impetus was the change made.

Dream Car Long Way Off

This public need which guides automobile manufacturers, is expressed in many ways. One is through letters. Generally they fall into three classifications: from people sincerely interested. Many of their ideas are sound and helpful and many are adopted.

Second: these offer trick designs and cute gadgets for the dream car. Usually this dream car is twice as long and half again as wide as current automobiles and invariably made of plastic or some special metal. Some make fantastic suggestions . . . an automatic pilot . . rear seat so arranged that a bridge table could be set up . . . a television set installed to watch the ball game . . . complete automatic air conditioning . . . a refrigerator.

In the third category are those who want a small cheap car. Many still ask for the return of the old Model T. Ford.

As roads improved, motor car utility improved. Periodically public demand dictated complete model changes. Automotive history has proved that a manufacturer can neither lag behind nor get too far ahead of public need.

Every time he tried to sell the kind of a car he thinks the public should have rather than the kind the customer needs, he ends up in serious trouble. Look at the hundreds of manufacturers who have gone out of business.

Auto Death Toll Heavy

Since those first early automotive days, more than 2,200 different makes of cars appeared on the market in Canada and the United States, but few have withstood the test of time. Of the 2,200 listed by the Automobile Manufacturers' Association, only 21 continue today in actual production.

Looking to the time when they're going to have to sell cars again, all manufacturers are sprucing up their cars.

At the same time, the industry is shifting its research and development program back into high gear after idling throughout the war. At work are some 6,000 engineers, chemists, physicists, metallurgists and designers, hundreds more than before the war.

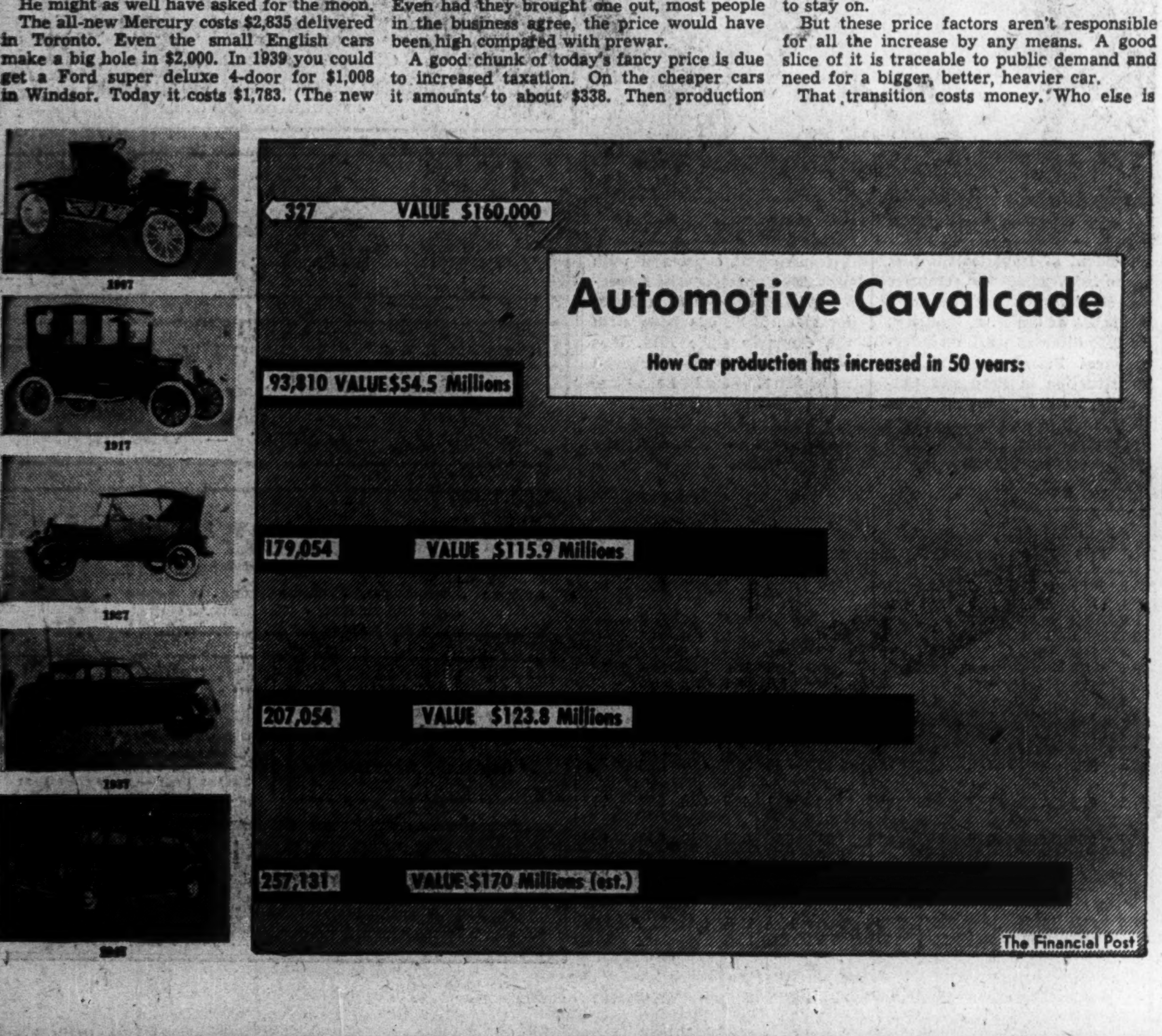
And every program is conducted with almost as much secrecy as surrounds the atomic bomb. To get the jump on the other fellow, secrecy is essential.

Most of the big firms have their own private testing grounds which are guarded like prisons. Others somehow disguise their new models. The mechanical insides of a new job are sometimes covered with an old body.

However, Hudson used the cover of darkness to road test its 1948 cars. They were partially camouflaged with streaks of mud.

At present the occasional Detroiter catches a glimpse of an experimental car being driven by Packard's style director. It has a transparent top. About 1950-55 you may know whether it works.

But whether it does or not, the industry insists that the governing factor in whether it actually becomes part of a car will be public need. Some may be extra-cost items at first. But, says Ford's Youngren, if the need is great enough, you can be certain engineers will produce them.



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On Brokers' "Most Popular" Stock List:

Imperial Oil, Limited

"What stocks would you choose for security and capital appreciation over the next three years?"

That was the question which The Financial Post put to a group of leading Canadian brokerage and investment firms. In recent weeks The Post has published the lists they selected.

Here, The Post analyzes another of the 20 stocks which received the highest number of votes. Analysis does not, of course, mean that The Financial Post recommends the purchase or sale of any of these securities now or at some time in the future.

BY JAMES H. JOYCE

Why was the common stock of Imperial Oil Ltd. on the list of the 20 "most popular" stocks to hold over the next three years in The Financial Post's recent poll of opinion in the investment community?

The reasons would seem to be as follows;

1. Imperial Oil Ltd. is the leading producer and distributor of petroleum products in Canada. It has crude oil supplies, refineries and distribution outlets, although its own crude production is far short of its refineries requirements.

2. It has a large outstanding U. S. parent company behind it. Standard Oil Co. (New Jersey) owns 69.75% of its outstanding 27,090,590 no par value common shares.

3. It located and is the leading producer in the Leduc oil field. Its large holdings in the Leduc field and throughout Western Canada offer attractive growth possibilities.

4. It has a good potential for expansion of its retail business.

5. Its earnings from its Canadian operations show a rising trend.

6. The future of the oil industry appears favorable for continued growth and larger earnings.

7. Its management appears aggressive and is particularly active in exploration work.

The Stock's Record

Imperial Oil common is currently selling around $19 a share to yield about 2.63% on the basis of the 50c annual dividend rate which has been paid since 1940. At its current price the stock is selling higher than at any time since 1938. Its all-time high was $41¼ a share made in 1929. (Last December when the stock was chosen, it was selling about $14¼ a share.)

At its current level of $19 a share, Imperial Oil common is selling at about 25 times its 1947 earnings of 76c a share. (B-A Oil 16.7 times; Canadian Oil Companies 10.6 times and McColl-Frontenac Oil 11 times.) At this price Imperial Oil is quite obviously discounting future developments and potential earnings quite substantially.

A record of the price range of the stock, the company's working capital position and an abbreviated income account showing earnings and dividends per share for the 12 fiscal years 1936-47 are shown in the accompanying table.

Gross sales of $260.6 millions for 1947 are 33.1% higher than in the previous year ($195.9 millions) and 2.7 times above their 1939 and 1937 levels of just over $96 millions.

Net income from operations, after depreciation but before income taxes, was at an all-time high of $23.9 millions in 1947—12.9% higher than in the previous year and nearly 3.3 times its 1939 level of $7.3 millions.

Earnings and Sales

The ratio of the operating income after taxes to the gross sales was 6.10% in 1947—down slightly from the 6.61% in 1946 but about 1% above its 1939 level of 5.40%. This reflects a slightly higher net earnings expressed as cents per imperial gallon of products sold, which has risen from 4/5 of one cent per gallon for 1945 to 96/100 of one cent per gallon for 1947—a favorable trend for earnings.

Total other net income after income taxes was $4.6 millions in 1947—27.2% below the 1945 figure of $6.3 millions and only about 1/5 of its 1938 level of $22.6 millions. The major factors in this drop have been reductions in the dividend rate paid by International Petroleum Co. (in which Imperial owns about a 60% interest), made at the start of the war and again in 1945.

Imperial Oil's other income will show a sharp reduction in subsequent years as the company intends to sell its holdings of 8,728,190 common shares of International Petroleum Co. at $9.20 (U. S. funds) a share on a pro rata basis to its own shareholders some time later in 1948. On the basis of the 1947 figures, this would reduce the total other net income by $3.2 millions or 66.2%. Proceeds of about $80 millions will be used to further development in Western Canada and for other capital projects. Whether this loss in other income will be made up by a corresponding jump in operating income remains to be seen, but the management would appear to be confident that it will, in view of their recommendation of the sale.

The net profit of Imperial Oil for the 12 fiscal years shown totals $231.9 millions while dividend payments total $239.3 millions or slightly more than the net profit. In the last two years, Imperial Oil has paid out an average of 71.4% of its net profit in dividends—which is perhaps a better yardstick of what may be expected. Earnings a common share average 72c a share a year for the 12 years shown.

Imperial Oil common at $19 a share is selling at about 26.4 times its average earnings for the past 12 years. It is selling at about 25 times its 1947 earnings.

What are its sales prospects?

The Canadian oil industry expects demand in 1948 will be about 10% higher than in 1947. Whether it can meet this demand will depend on supplies of crude oil.

Commenting on the sales outlook for Imperial in 1948, President Henry H. Hewetson said that the market demand for petroleum products would increase throughout Canada in 1948 and that the company expects to share to the fullest extent possible in this increased business. He pointed out that because of a tight supply situation Imperial, since early in 1947, has avoided new fuel oil business due to the dependence of the Canadian situation upon availability of imported supplies. Even so, it is estimated that the total volume of Imperial sales will increase from 47,000,000 barrels in 1947 to more than 51,000,000 barrels in 1948.

Future demands for petroleum products would appear likely to increase. In the United States a study by the Office of Domestic Commerce places the total demand for petroleum products in 1950 at 15% greater than in 1946. The demand for distillate fuels for home heating and for Diesel engines appears to have good growth prospects while the demand for gasoline also shows a rising trend.

At the annual meeting this year, President H. H. Hewetson expressed the hope that 1948 would "in some degree" bring about larger dollar earnings.

Crude Production in Canada

In addition to its sales prospects, however, Imperial Oil has prospects of increasing its Canadian production of crude oil and so adding to earnings from this source.

The potentialities of the new oil field at Leduc, Alta. (about 17 miles southwest of Edmonton) which was discovered by an Imperial wildcat rig in February 1947, is of major importance to the company, as well as to the Prairie Provinces. Alberta is now the fourth most active oil prospective exploration area in the Western Hemisphere.

While the full extent of the Leduc field has not been determined, present estimates indicate a reserve of some 200 million barrels, or substantially larger than Turner Valley. While possibilities of some extension to the field are promising, of greatest importance is the prospect of new discoveries in the general area, proof of which is seen in the high rate of exploration activity by numerous companies.

At the present time Imperial Oil has 53 oil wells on production at Leduc; one gas well which had been drilled to supply fuel. Fourteen new sites have been located. In 1948 Imperial contemplates a program of operating 18 rigs to drill more than 100 wells. While the company is assured of larger production as more wells are completed, it is also hopeful of even greater things, which is why it has six drilling rigs operating on "wildcat" or untested locations at present, President H. H. Hewetson stated.

Imperial has under lease roughly one million acres and in addition has considerable acreage under reservation; part of which may be leased in Western Canada. It is one of the largest factors in this field both through size of holdings and their locations. It has control of about 85% of the acreage in the Leduc field.

Western Refining and Distribution

Following the Leduc discovery, Imperial recognized the urgent need for additional refining capacity in the West and arranged to purchase the U. S. Army refinery at Whitehorse, Y.T. This move will provide for 6,000 barrels a day additional refinery capacity at least a full year ahead of new construction, although its cost of from $6 to $8 millions will represent no capital saving over new equipment. Partial operation of this refinery is expected by July 1 with complete operation later this year. This move will mean a lower cost of petroleum products for the company in the Edmonton area.

Further development in this area must be anticipated as a production of 65,000-70,000 barrels per day can be visualized within three years' time, the company states.

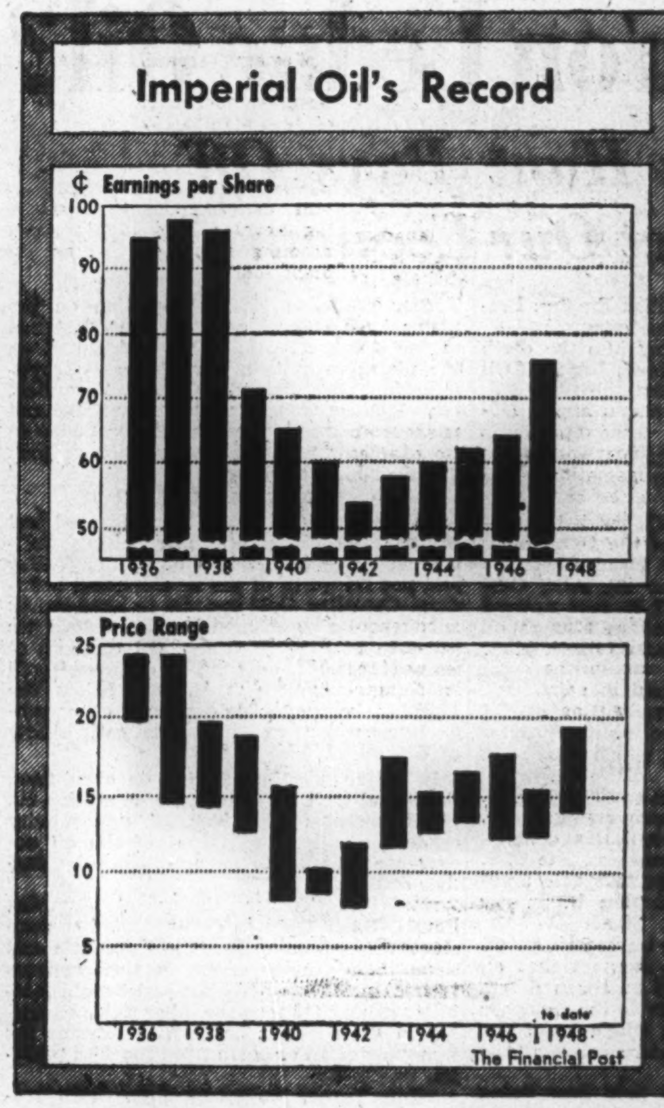
Imperial is constructing a crude pipe line from the terminal of its field gathering system at Nisku to Edmonton at an estimated cost of several hundred thousand dollars and is seriously considering construction of a 500-mile pipe line from Nisku to Regina, Sask., which would cost about $30 millions, but would provide transportation at a cost substantially lower than tank car movement.

Imperial also feels additional refining capacity must be planned and estimates that the industry as a whole will require 25,000-30,000 barrels per day additional capacity in the Prairies if sufficient crude oil is available. Cost of this would be between $30 millions and $40 millions.

In addition to the Leduc area, Imperial is conducting an extensive exploration program in other parts of Western Canada and also in Southwestern Ontario. At the end of last year Imperial and its subsidiaries owned or had a participating interest in 184 oil and gas wells in Turner Valley, 22 oil and gas wells at Leduc, 24 oil and gas wells elsewhere in Alberta, 63 oil wells at Norman Wells and 24 oil and gas wells in Ontario.

Another favorable factor for

(Continued on page 15)



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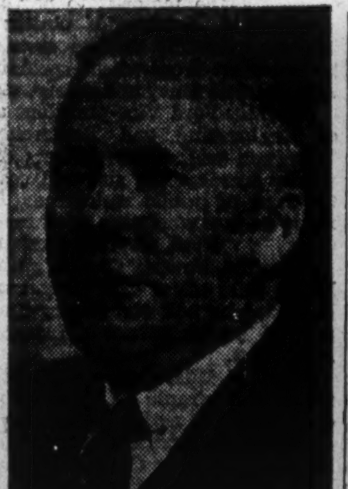
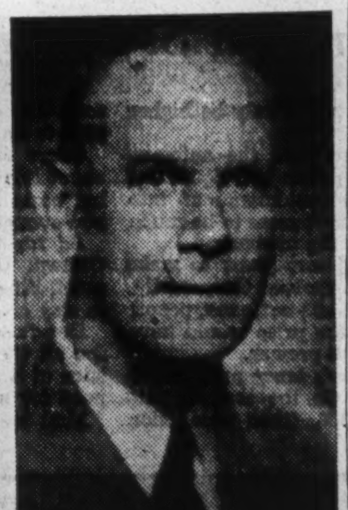


GEORGE L. STEWART

Chairman of the Board of Imperial Oil, Ltd. since 1947, a director since 1944, started his business career in the company's engineering department at Sarnia in 1916. Has been superintendent of the Sarnia refinery, general manager of refineries, and vice-president in charge of manufacturing.

HENRY H. HEWETSON

President of Imperial Oil Ltd. since 1945, joined the company in 1919, later moved to research branches of the U. S. industry; in 1924 directed work on International Petroleum's refinery construction in Peru and Colombia. Returning to Canada in 1935, took charge of Imperial's marketing in 1938; became vice-president and director in 1940.



DR. OLIVER B. HOPKINS

Vice-president concerned with producing operations of Imperial Oil Ltd. since 1944, a director since 1945, has been with the company since 1919. Was chief geologist both of Imperial and International Petroleum and has looked into oil producing properties in practically every part of Canada, the United States and in South America.

Imperial Oil, Limited

(Years ended Dec. 31; millions of dollars)

	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936
Gross sales	260.6	195.9	174.1	177.6	166.8	156.7	141.4	113.9	96.1	94.2	96.3	85.0
Income from Can. business	29.4	25.5	20.7	22.9	22.2	19.5	21.5	15.6	11.1	8.4	9.4	12.2
Depreciation	5.5	4.3	3.8	4.7	5.5	4.9	4.7	3.9	3.9	4.2	4.8	6.8
Can. income taxes	8.0	8.2	6.5	8.3	7.3	6.4	8.0	4.8	2.1	0.8	1.4	0.9
Net income from Can. bus.	15.9	12.9	10.4	9.9	9.4	8.2	8.8	6.9	5.2	3.3	3.3	4.5
Divd's from subs. less losses of subs.	5.7	6.0	9.4	9.0	9.5	9.8	10.3	13.8	16.8	24.4	25.3	22.2
Less—Can. income taxes	1.0	1.6	3.1	2.8	3.1	3.1	3.2	3.0	2.1	3.2	3.0	3.2
Total other net income	4.6	4.4	6.3	6.3	6.2	6.4	7.3	10.7	14.0	22.6	23.1	21.1
Net profit	20.5	17.3	16.6	16.2	15.5	14.7	16.1	17.6	19.3	26.0	26.5	25.6
Dividends paid	13.5	13.5	13.5	13.5	13.5	13.5	13.5	16.9	27.0	33.7	33.7	33.7
Surplus for year	7.0	3.8	3.1	2.7	2.1	1.2	2.7	0.8	7.7*	7.7*	7.3*	8.1*
Surplus forward (after adjustments)	56.9	50.3	44.0	44.2	41.1	38.8	38.1	35.5	34.7	45.9	58.6	65.9
Working Capital	67.2	61.5	74.5	74.7	69.6	60.6	56.8	45.1	44.0	60.0	64.2	71.1
Common Stock ($):												
Earned—Can. operation	0.59	0.48	0.38	0.37	0.35	0.30	0.33	0.26	0.19	0.13	0.13	0.11
Earned—Other income	0.17	0.16	0.23	0.23	0.23	0.24	0.27	0.39	0.52	0.83	0.85	0.84
Earned—Total	0.76	0.64	0.62	0.60	0.58	0.54	0.60	0.65	0.71	0.96	0.98	0.95
Paid	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.62½	1.00	1.25	1.25	1.25
Common Price Range ($):												
High	15½	17¾	16⅝	15¼	17½	12	10¼	15⅝	18¾	19⅝	24⅜	24½
Low	12⅝	12⅛	13⅜	12¾	11¾	7¾	8⅝	8⅛	12¾	14¼	14⅛	19¾

*Deficit.

1948 Range to date: High $19⅝; Low $14.

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GULF LEAD MINES has completed drill hole No. 4 at depth of 502 ft. on property holdings on east coast of Hudson Bay. The drill cut an 18-ft. section of mineralization showing galena, sphalerite and chalcopyrite at depth of 412 to 440 ft. Three drills are now operating, two on the coast and one at Ruby Lake.

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Industrial Growth in Canada

Industrial expansion is continuing in the Greater Toronto area, as indicated in the following eight new plants or extension projects reported by Toronto Industrial Commission:

Underwood

Underwood Ltd. buys 4-story 50,000 sq. ft factory at 375 Madison Ave. to house complete manufacturing, assembly and testing operations for standard and portable typewriters, adding and accounting machines. Canadian head office is at 135 Victoria St. Underwood is an affiliate of Underwood Corp., New York, one of the world's largest typewriter makers. It employs 800 across Canada, operates 37 Canadian branch offices.

The purchase brings to 120,000 sq ft. the total floor area occupied by Underwood in Toronto, enables amalgamation in the Victoria St. premises of inspection and service facilities, printing division and shipping department. Manufacturing executive offices will be transferred to the new location where, after extensive remodelling, full production will be reached this fall. A redesigned assembly line will have opposed benches fitted in pairs and with fluorescent lighting.

* * *

Candn. Resistors

Canadian Electric Resistors, newly organized, leases one floor of building at 33 Lombard St. to house manufacturing operation; will fabricate under license the complete line of British Electric Resistance Co., Middlesex, Eng. K. J. S. Beeby is manager. Products will include vitreous enameled and ceramic cement wire-wound resistors (used extensively in most electrical industry branches and the armed services), plus fixed and variable rheostats rated from 5 to 500 watts.

* * *

Levey (Canada)

Fredrick H. Levey Co. (Canada), one of 15 subsidiaries of Columbian Carbon Co. (Delaware) of New York, leases 11,000 sq. ft. in former Dodge plant at 1244 Dufferin St.; is setting up operations to make printing inks and allied products pending construction of its proposed new plant in suburban Scarborough twp. Dominion Printing Ink & Color, and Hoops Printing Ink Companies, divisions of the parent firm, will be amalgamated with the new development.

* * *

West. Tarpaulins

Western Tarpaulins & Textiles, 495 King St. W., doubles manufacturing operations with erection of new plant at 925 Weston Rd., 2 stories, steel, concrete block and brick. Products include tarpaulins, tents, auto slipcovers, other canvas goods. Plans are being developed to install waterproofing equipment in the new plant soon.

* * *

Roy Craft Cards

Roy Craft Cards Ltd. buys 1-story 29,000 sq. ft. factory at 3555 Danforth Ave.; has moved from 345 Adelaide St. W. Space at the new location is about double that formerly occupied. Roy Craft makes a diversified line of Christmas cards.

* * *

Pal-O-Pak Mfg.

Monarch Optical Manufacturers, 24 Hayter St., more than doubles production facilities in new 2½-story steel, concrete block and brick building going up at 47-9 Laplante Ave.; contractor Stratten Construction. Completion is scheduled for summer. Monarch will expand output of bifocal lenses and prescription grinding. In making bifocal lenses, the reading portions are first fused with rough glass blanks in electric furnaces. The whole is then cut to shape and accurately ground and polished on precision machines.

* * *

Monarch Optical

Pal-O-Pak Manufacturing of Canada with Pal-O-Pak Insulation Co., Hartland, Wis., acquires 1-story frame building on CNR siding at Whitby, Ont. for manufacture for the first time in Canada of its cellulose insulation materials now being made in the parent firm's nine U. S. plants. The insulation, which has wide application in building, airconditioning, cold storage, acoustics and sound treating is produced from chipboard and paper products finely pulverized and atomized under a high air pressure screening process. All heavy substances are removed, leaving a pure, fluffy fibrous material with a very low thermal conductivity. It is treated chemically to repel vermin and rodents, permanently resist fire. Packing in large paper bags is done automatically under pressure.

* * *

Sta-Rite Pump

Sta-Rite Pump Products (Canada) and Perfection Milking Machine (Canada) together build 1-story and basement plant at 369 Danforth Rd. for assembly and distribution of pressure water systems and vacuum type milking machines. The steel, concrete block and brick structure is going up on a 2-acre industrial site; has a prefabricated concrete slab floor with built-in radiant heating pipes. Sta-Rite is associated with Sta-Rite Products Inc., Delavan, Wis.; Perfection Milking is an affiliate of Perfection Manufacturing, Minneapolis, Minn.

Imperial Oil's Stock Record

(Continued from page 14)

Imperials Oil's earnings will be its additional refining capacity. On completion of its presently announced refinery program, its refining capacity will be increased to 159,000 barrels daily—16.6% higher than its 1945 level of 136,300 barrels daily and 41.7% above its 1939 capacity level of 112,170 barrels daily. This program includes modernization of its Montreal East refinery which was about 70% completed at Dec. 31, 1947 and will probably be ready for full operation by July and includes installation of an 11,000-barrels-a-day fluid catalytic cracking unit there.

Increases in the company's capital investment during 1947 were $27.2 millions before allowing for retirement of equipment taken out of service. Capital outlays in 1948 are expected to be in excess of the approximately $27 millions spent in 1947.

Reflecting extension expenditures, the book value (cost) of capital assets of $174 millions at Dec. 31, 1947 is about $25.1 millions or 16.9% higher than Dec. 31, 1946 and is about 54.5% above its Dec. 31, 1939 level of $112.6 millions. The depreciation and depletion reserve amounted to $97.5 millions at Dec. 31, 1947 or to 55.9% of the capital assets at Dec. 31, 1947 and was 36% above its Dec. 31, 1939 figure of $71.5 millions.

Working Capital and Inventories

Imperial Oil's working capital position is strong. Current assets totaled $106.3 millions at Dec. 31, 1947; current liabilities, $39.1 millions. Working capital was $67,164,790—a little higher than a year earlier.

Inventories at the year end were at a new high of $65.8 millions or 62% of total current assets. They were however only about one quarter (25.2%) of the 1947 gross sales.

The working capital reflects the sale of $24 millions 2¼% serial debentures due Oct. 15, 1950-55 in Oct. 1947 to provide new capital. On April 15, 1948 an additional $6 millions serial debentures were sold.

Shareholders have also approved a proposal to make about $80 millions of additional capital available for Canadian development through sale of the company's holdings of International Petroleum common. As this investment is carried on the books at a value of $30.6 millions, the company will show a profit on the sale of nearly $50 millions. This will be reflected in an increase in the book equity of the common. The market price of Imperial's common currently also reflects the value of the rights to purchase International Petroleum shares which are to be received.

Imperial's outstanding capitalization at Dec. 31, 1947 consisted of the $24 millions debentures and of 27,090,590 issued and outstanding no par value common shares carried at $79,857,640. Capital surplus totaled $15,264,192 and earned surplus $56,897,243. Control is held by Standard Oil Co. (New Jersey) through ownership of 69.75% of the outstanding shares.

Management is considered aggressive. Chief executives are H. H. Hewetson, president; G. L. Stewart, chairman of the board; O. B. Hopkins, J. R. White, F. G. Hall, vice-presidents and K. A. Henderson, vice-president and treasurer; James McGrath, comptroller and Colin D. Crichton, general secretary. Directors are the first five above and C. E. Carson; A. E. Halverson; F. C. Mechin and M. L. Haider.

The company has about 11,000 regular employees. Relations with employees have been generally harmonious, the company states.

Imperial Oil either directly or through subsidiaries is engaged in producing, drilling and prospecting for oil, transportation by pipe line, by ocean-going steamships and by tank cars, refining and retail and wholesale marketing of petroleum and petroleum products.

The company operates seven refineries in Canada located at Dartmouth, N.S. (24,000), Montreal East (39,000), Sarnia ((57,000), Regina (10,000), Calgary (2,000), Ioco, B.C. (12,000) Edmonton (6,000) and Norman Wells, N.W.T. (1,100). Figures in brackets represent barrels of daily capacity on completion of present program.

Principal subsidiaries, besides International Petroleum Co., are Royalite Oil Co. (exploring and producing in the Alberta oil fields, mainly Turner Valley); Northwest Co., Lowery Petroleum Ltd., Foothills Oil & Gas Co. (hold acreage in Alberta); Transit & Storage Co., Montreal Pipeline Co., and Portland Pipeline Corp.

Urge Inter City Subdivide Stock

MONTREAL (Staff) — A suggestion that Inter City Baking Co. should consider subdividing its outstanding stock was made by Arthur H. Campbell at the company's annual meeting last week. As arrangements have been completed for retirement of all funded debt of the company this year Mr. Campbell observed that the sole capitalization would consist of common stock after repayment of the debt. There are at present 21,145 common shares $100 par outstanding.

President C. H. G. Short promised that the suggestion would be thoroughly discussed. He said many difficult problems had to be faced at present, due to the general public unrest arising out of the transition period following the war years. While he looked forward to future operations with confidence, Mr. Short did not think that the years ahead would be any bonanza from the earnings standpoint.

ARTHUR O. PONDER

president of Dominion Tar & Chemical Co., has been elected a director of Donnacona Paper

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The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor. The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INVESTMENTS

Harding Carpets Ltd.

Please bring me up to date on the investment possibilities of Harding Carpets Ltd., common stock.

Harding Carpets Ltd. common stock is currently selling around $12 a share where it would yield about 6.7% on the basis of an indicated annual dividend rate of 80 cents a share. This rate was apparently established with the declaration of a quarterly dividend of 20 cents a share payable Jan. 2, 1948, an increase over the previous payment of 15 cents a share on Oct. 1, 1947.

Earnings per share for the fiscal years ending Oct. 31 were $1.24 in 1947, 78 cents in 1946, 72 cents in 1945 and 45 cents in 1944 (figures for 1945 and 1946 include refundable portion of the excess profit tax).

Operating results for the year ended Oct. 31, 1947 were very satisfactory and represented considerable improvement over prevous years, with consolidated sales reaching the highest dollar volume in the company's history, President John S. Dickson stated in the annual report.

Outlook for 1948 is promising, general manager C. Malim Harding told shareholders at the annual meeting in February. Figures for the first quarter of the current fiscal year show an increase in production of 13% over the previous year and an increase in dollar sales of 30c, he added.

Capitalization outstanding at Oct. 31, 1947 consisted of $367,000 serial debentures due Jan. 2, 1948 to 1961 of its subsidiary, the Guelph Carpet & Worsted Spinning Mills and 231,204 of its own common shares no par value. Working capital was $1,933,965 at Oct. 31, 1947 as compared with $1,535,812 a year before.

Total capital expenditures for the 1947 fiscal year at the Brantford and Guelph plants amounted to $123,000, covering generally new machinery and some expansion of buildings. A considerable amount of capital equipment is expected for delivery within the next year. Capital outlay for 1948 is estimated to be at least $325,000 for modernization of present equipment and for new machinery.

Int. Power Securities

What price is International Power Securities Corp. 6½% bonds selling at? Has there been any increase in market price recently, and if so, what is it attributed to?

We are informed that International Power Securities Corp. 6½% bonds of 1955 are currently selling at $26-$28 in Canada and the 7% bonds are selling at the same price. As you are probably aware this company has power interests in Italy. We are informed that these bonds have gone up one or two points as a result of the recent Italian elections.

We are told however, that the operations of this company in Italy are still a highly speculative proposition. This is reflected in the fact that the 6½% bonds of 1955 which were offered in Dec. 1925 at a price of $93.75 are now selling at less than $30. And the 7% bonds of 1952 which were offered in Jan. 1927 at a price of $96¾ are similarly selling at a comparatively low level.

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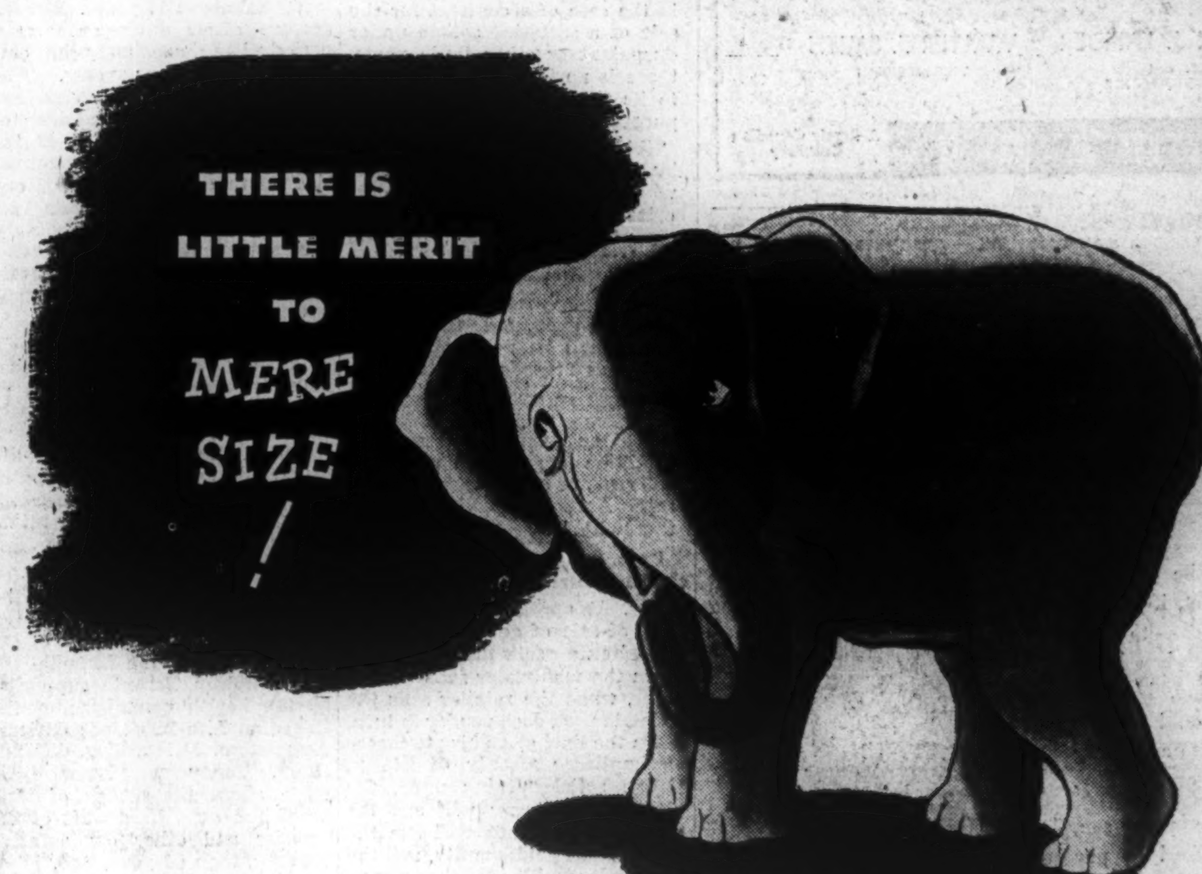

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Implied Warranties, Negligence Law Burden to Manufacturers, Says Phelan

Many manufacturers and vendors of merchandise don't realize the extent to which they may be liable for injury a buyer may suffer due to any defect in preparation or carelessness in handling the article he purchases.

In an address at the Canadian Manufacturers' Association annual meeting in Toronto, T. N. Phelan, K.C., stated that more people are claims conscious today than formerly; that a larger number resort to law for damages when they suffer some unexpected injury or inconvenience. Sometimes the claim arises from services rendered, frequently from articles or materials supplied. Here is a digest of his address:

What circumstances of modern business give rise to legal liability and damages?

I will discuss only two. The first arises between the manufacturer and one who purchases directly from him. Liability here is based on the law of contract. The second arises between the manufacturer and an ultimate consumer or user of the manufacturer's goods. In this case, the liability is based on the law of negligence.

How does the law of contract make a manufacturer liable?

In every contract between a manufacturer and a purchaser, the law implies a warranty by the manufacturer that the goods are fit for the purposes for which the purchaser buys them. If the goods prove unfit, liability for damages will follow. This aspect of the law is referred to as an implied warranty under the Sale of Goods Act, a statute passed by the provincial legislature. Section 15 enacts as follows:

"15. Subject to the provisions of this Act and of any statute in that behalf, there is no implied warranty or condition as to the quality or fitness for any particular purpose of goods supplied under a contract of sale, except as follows:

"(a) Where the buyer, expressly or by implication, makes known to the seller the particular purpose for which the goods are required, so as to show that the buyer relies on the seller's skill or judgment, and the goods are of a description which it is in the course of the seller's business to supply (whether he be the manufacturer or not), there is an implied condition that the goods shall be reasonably fit for such purpose; provided that in the case of a contract for the sale of a specified article under its patent or other trade name, there is no implied condition as to its fitness for any particular purpose;

"(b) where goods are bought by description from the seller who deals in goods of that description (whether he be the manufacturer or not), there is an implied condition that the goods shall be of merchantable quality; provided that if the buyer has examined the goods, there shall be no implied condition as regards defects which such examination ought to have revealed;

"(d) an express warranty of condition does not negative a warranty or condition implied by this Act unless inconsistent therewith."

Does this not apply to others than manufacturers?

Yes. It applies to every contract of sale of goods. When the manufacturer sells the wholesaler, when the wholesaler sells the retailer, when the retailer sells the ultimate user, each vendor in turn, down the line, gives his purchaser an implied warranty of fitness. If the article proves unfit, the ultimate purchaser will sue the retailer, he in turn will sue the wholesaler for indemnity, and the wholesaler will sue the manufacturer. The law says "where the buyer makes known to the seller." In most cases there is no need to state the purpose because that purpose is the only one for which the buyer would ordinarily want the goods. When a person buys bread or milk, the purpose is obviously for consumption, and the vendor warrants fitness for that purpose. If by accident some foreign substance gets into the article during manufacture, and the buyer suffers injury, there is breach of warranty and damages follow.

What are some examples of manufacturer's liability?

One frequent cause is the use of dyes in cloth from which wearing apparel is made. When the cloth comes in contact with many purchasers, they develop dermatitis, a skin condition. Damage claims frequently follow.

Canadian and British courts recently have placed an important limit on the implied warranty as applied to such claims; it has been held that the warranty runs only to normal persons and that there is no breach of warranty if an allergic person uses the goods and suffers damage.

Can a manufacturer protect himself against warranty imposed by the Act?

Yes. A properly drawn agreement can exclude the warranty. Such agreement, however, should not be in general terms such as, for example: "there are no understandings not contained herein." This is not considered sufficient to exclude the condition.

What liability arises under the law of negligence?

This liability is quite distinct from obligations assumed under a contract. The common law requires all persons to take reasonable care not to cause injury to others. A breach of that duty is called negligence; and for negligence, the law imposes liability for which damages are payable.

Under the law of negligence, a manufacturer may become liable to an ultimate user, whenever a failure to take reasonable care in the manufacture preparation or putting up an article causes injury to the consumer or his property. This phase of liability is known as the rule in Donohue and Stevenson, a House of Lords decision in 1932.

Before this decision it was generally accepted that the relationship between the manufacturer and the consumer was too remote to impose on the manufacturer any duty towards the consumer.

In the Donohue case, ginger beer was sold in opaque bottles. A customer bought a bottle of ginger beer from a retailer and in drinking it consumed a snail concealed in the bottle. The customer became ill and brought action for damages. It was held there was a right of action against the manufacturer who had been negligent in putting up the product.

The Privy Council again applied this principle in an appeal from the Australian Courts in 1936. In that case the plaintiff, Grant, bought woolen undergarments from a local dealer. These undergarments had been bought from the Australian Knitting Mills. The buyer contracted dermatitis due to the presence in the garment of an excess of sulphites used in treating the wool. The excess had been left in the garment by mistake in the manufacture. The courts held that the excess sulphites established a breach of duty or care, which the manufacturer owed the purchaser and the manufacturer was held liable in damages to the purchaser for £2,500. These two cases express a new principle of liability now firmly established in British and Canadian law.

Does this principle apply in other countries?

It applies under United States law, the principle having been adopted and applied, in the U. S., about ten years before it had been applied and adopted in British law. First application is found in a case, McPherson vs Buick Motor Car Co. In that case, Judge Cridoza, Chief Justice of the New York Court of Appeals held the Buick Car Co. liable as the manufacturing company, to one who had bought a motor car from a local dealer and had been injured because of a defect in construction of the motor car which permitted a wheel to come off while the purchaser was driving it.

This implied warranty that attaches to every contract for the sale of goods and the principles of the law of negligence which permits an ultimate purchaser to sue the manufacturer for injury due to mistakes in the preparation of his product impose a serious burden of which many manufacturers are not aware.

AUBREY CRABTREE

president of Fraser Companies has been elected a director of Donnacona Paper Co.

Improvement in Tomorrow's Health Longer Life Span Hoped For—Tisdall

Encouraged by great advances made in medicine in recent years in treatment and prevention of diseases and promotion of health, Canadians can look forward to tomorrow's health being on a higher plane than that of today, Dr. F. F. Tisdall told the Canadian Life Insurance Officers Association annual meeting at the Seigniory Club. He outlined the effects of proper diet on health, growth, and general physical fitness. Special attention is being given to increasing the life expectancy of people over 40 years of age in keeping with the progress made in increasing the life expectancy of persons at birth, he stated. Here is a digest of his address:

In the last 40 years the life expectancy of persons at birth has increased about 17 years. But for persons of 40 during the same period, life expectancy has increased only four years. This means that little progress has been made in prevention of diseases which occur after 40, the degenerative diseases. Examination of the death claims of one Canadian company (Canada Life Assurance Co.), shows that the genito-urinary diseases, apoplexy, coronary disease and other heart diseases, accounted for almost 60% of the total death claims.

Recent studies on diabetes in childhood have disclosed that many of the signs of old age or degenerative changes, frequently develop at an early age. The most frequent changes encountered are high blood pressure, hardening of the blood vessels, or arteriosclerosis, haemorrhages in the retina of the eye and nephritis.

Study Processes of Aging

A study of this problem, "the processes of aging," has been started under the direction of Dr. A. L. Chute of the Hospital for Sick Children, Toronto, supported by the health committee of the Canadian Life Insurance Officers Association. It is a long, difficult study. Today we know little more about the causes of high blood pressure, hardening of the arteries and other degenerative changes, than 50 years ago.

First step in the study was an intensive investigation of people in their 20's or early 30's who had suffered from diabetes for 15 years or more. High blood pressure, enlargement of the heart, retinal haemorrhages, frequently with impairment of vision, were found in 50% of those examined. Further studies suggest that the degenerative changes developed in those who received inadequate insulin treatment.

The next step was to attempt to produce degenerative changes in rats. This was done by rendering them diabetic and then, under certain conditions, giving them inadequate insulin treatment. Dr. Chute produced albumin in the urine and cataract almost at will, and high blood pressure in a number of the animals studied.

It is hoped to develop more delicate methods in detection of degenerative changes in men, and to extend animal studies to give information as to what products of the deranged metabolism have caused these changes; also to gain some information which will help prevent and delay onset of these degenerative changes, which life insurance statistics show are the largest single cause of death today.

Effect of diet on growth is indicated by the fact that freshmen at the University of Toronto average 5.2 lb. heavier and 1.5 inches taller than those of 20 years ago. Today's freshman takes more milk, vegetables, salads, etc. Increasing the intake of vitamin B complex has also accelerated the rate of growth of children.

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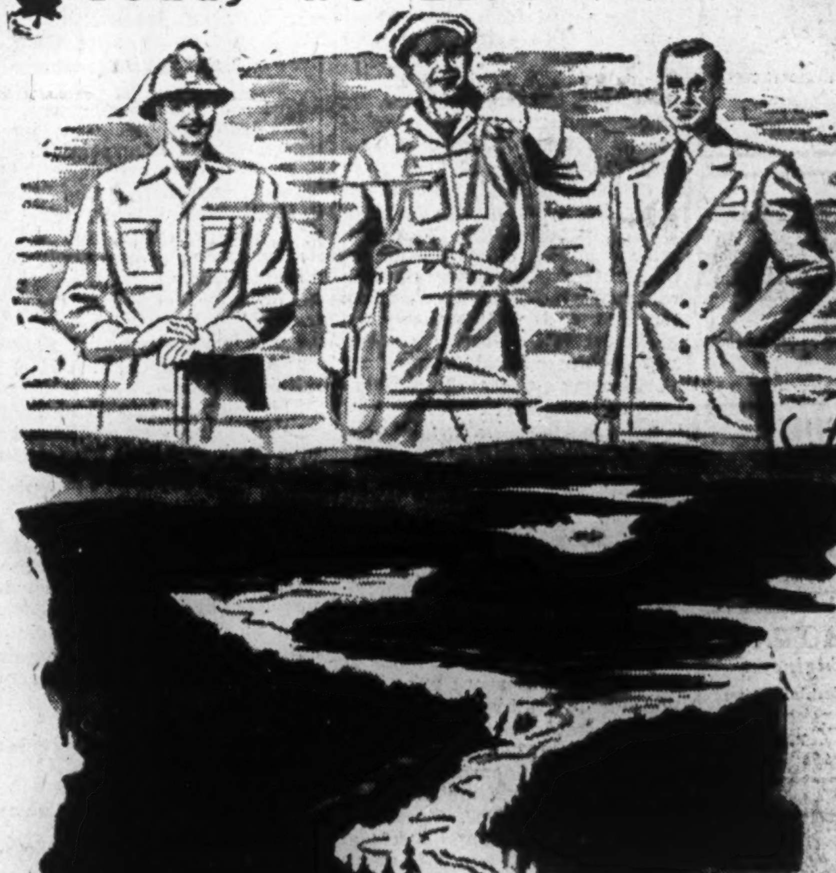

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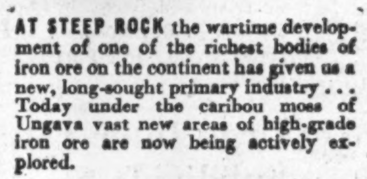
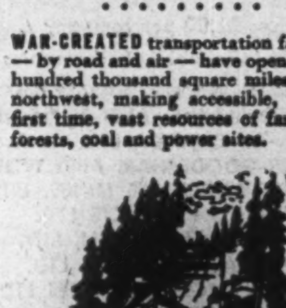
WAR-CREATED transportation facilities — by road and air — have opened up a hundred thousand square miles of the northwest, making accessible, for the first time, vast resources of farmland, forests, coal and power sites.

AT STEEP ROCK the wartime development of one of the richest bodies of iron ore on the continent has given us a new, long-sought primary industry . . . Today under the caribou moss of Ungava vast new areas of high-grade iron ore are now being actively explored.



WHERE BEFORE the war was a roadless Quebec wilderness, Shipshaw is now producing more than a million horsepower of electrical energy . . . At Yellowknife on Great Slave Lake, rich gold-bearing ores are being developed . . . From Great Bear Lake near the Arctic Circle comes precious radium . . .



NEW . . . OPPORTUNITIES

JOHN ADASKIN, son of an immigrant woodworker, developed his talents as a musician to win a distinguished place in Canadian radio. He became CBC's senior program producer; now has his own Productions company in Toronto; has produced over 4,000 radio shows, including some of the most popular on the Canadian air; is Master of Ceremonies and musical conductor on the national talent show "Opportunity Knocks".

JOHN ADASKIN says: *"I have never regretted a career in Canada. Today — more than ever before — new fields and opportunities are opening up for young Canadians. As business in general expands, as the arts gain wider recognition, it's certain that opportunity will continue to knock harder and more often for the talent of this country."*

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Municipal Bank Borrowings Rise With Local Improvement Programs

Yellow barricades around newly-paved, still soft sections of road and sidewalk, signs telling you "Men at Work," where streets are torn up to permit sewer installations, detour directions on bridge approaches: these are all features of the municipal scene across Canada. They are the visible evidences of rehabilitation and new local improvement programs in cities and country districts alike.

Much of this work is overdue, having accumulated during the war years when labor, money and materials were scarce for everything except the war effort and the most essential civilian work. Municipalities got along with as little repair work as possible, postponed new public works when they could.

The resulting backlog of municipal work is causing heavy expenditures now.

Much of this is being financed by the chartered banks pending permanent financing by the issue of the municipality's debentures or long-term bonds.

Almost Tripled

Loans of the chartered banks to towns, municipalities and school districts in March accordingly at $57 millions are almost three times the volume in the same month in 1945 just before the war ended, almost 40% higher than a year ago.

Changes in the figures of the various banks on a given date, however, it is understood, don't always represent the amount of borrowing done by its municipal customers. Some municipalities like to finance by debenture issue as soon as possible and accordingly the bank loans in such cases never get very high. Some banks also it is understood encourage their municipal customers to finance this way. In such cases when the two policies are working together total municipal loan volume is curtailed.

The same factors affect the month to month variation as a municipality might have a loan of say $10 millions at one of the banks. During the next month it might issue bonds and pay off the bank loan which would mean a substantial decline in total bank municipal loans and especially in the case of the individual bank concerned.

Not for Relief

One banker stated that one noticeable feature of the present situation is that while loans to municipalities are increasing, these loans are all for capital account on local improvements. They are not being made to meet relief charges as had been done in the early 30's.

As a general rule, tax receipts are higher than before and despite increased indebtedness, the municipalities generally are in good shape financially.

During the war, municipal loans fell drastically due to a variety of factors such as:

Increased revenues due to better tax collections;

Reduced expenditures due to everything possible being diverted into the war effort;

General desire of municipal councils to economize as a contribution to the war effort;

Higher earnings of individual citizens, resulting in tax arrears being reduced;

Reduced relief expenditures due to high level of employment;

Salutary influence of provincial controls tending to curtail municipal capital expenditures.

Still Well Below Prewar

Comparison of the municipal loan figures on March 31 last with those on the same date in 1939 before the war, indicate the extent to which present levels are below the prewar.

In the present situation, the high level of employment and the fact that many property owners have the ready cash to meet their taxes helps strengthen the municipal financial position.

High prices of materials and equipment and high labor costs, however, offset to some extent the benefit which might otherwise accrue to the municipality.

Here's how the total bank loans for the last two years, for 1945, the last part war year, and 1939, the year the war began compare:

Loans to Municipalities
By Chartered Banks

	1948	1947	1945	1939
	—Millions of $—			
Jan.	38.9	26.9	14.2	105.8
Feb.	45.7	30.5	17.6	111.3
Mar.	57.7	41.8	20.2	119.2
Apr.	...	42.0	18.2	119.0
May	...	33.7	28.9	119.9
June	...	31.6	25.6	116.7
July	...	36.9	27.4	119.3
Aug.	...	43.5	27.8	113.8
Sept.	...	44.2	22.5	112.6
Oct.	...	43.0	18.8	112.5
Nov.	...	47.0	27.5	112.1
Dec.	...	40.6	21.1	111.9

ROY HUNTER

has been appointed a director of Stevenson & Scott Ltd., and manager of the Vancouver branch of that advertising agency.

TAX NOTES

Appeal Clarifies Exemption On Earnings of Wives

For The Financial Post, Stuart Thom of the Toronto law firm of Smith, Rae, Greer & Cartwright, and formerly an official of the Department of National Revenue (Taxation), here discusses recent income tax rulings

In a recent decision (Might vs. Minister of National Revenue—not yet reported) Mr. Justice O'Connor of the Exchequer Court has dealt with a point which was of considerable interest to taxpaying husbands throughout Canada during the war years.

In 1942 it was provided by an amendment to the Income War Tax Act that a husband would not lose his right to exemptions and deductions as a married man "by reason of his wife being employed and receiving any earned income."

The policy of Government behind this amendment was expressed by the Minister of Finance in the House on July 17, 1942. After outlining the problem arising as the result of married women giving up their jobs when they had earned $660 in any one year, he said, "there was a great uproar in the country about the folly of the Government in framing a tax scheme which would make it desirable for married women to leave industry and the Government service when we need the services of everyone, as we do today."

It was probably not the Government's intention to extend the concession to the husbands of all married women who were working, but it would seem that the words of the Statute should now be considered to have had that effect.

In the case under discussion, the wife was a physician who resided with her husband but practiced her profession and whose income therefrom exceeded $660 in 1942. It was claimed by the Crown that the wife in such circumstances was not "employed" within the meaning of the amendment, the contention being that to be employed was to be in receipt of wages or a salary.

Mr. Justice O'Connor has now held that the intention of Parliament as deduced from the words of the Statute could not have been to restrict the provisions of the Act to those employed as servants only.

He said that in its context the word "employed" included, in his opinion, "occupied or engaged" and "it would be unreasonable to exclude those engaged on their own behalf, because to do so would exclude doctors and nurses doing private nursing and others whose work was most essential. If Parliament had intended to do so, that intention would have been clearly expressed."

The husband's appeal was therefore allowed.

Counsel in this case were J. Ross Tolmie and Ross Gray of Ottawa for the Appellant and W. R. Jackett of the Department of Justice for the Minister.

• • •

Military Exemption

In the decision in the case of Acorn vs. Minister of National Revenue (not yet reported) recently handed down in the Exchequer Court by Mr. Justice Angers, it was held that the exemptions accorded members of the armed services during the war years extended only to those in the naval, military or air forces while they were on active service.

In the particular case, the appellant claimed exemption from taxes on income earned while attached to a regiment in Charlottetown, P.E.I. The exemption was refused. The statutory reference is section 4(t).

Counsel in this case were H. F. MacPhee, K.C., and N. W. Lowther, K.C., for the appellant, and J. O. C. Campbell and G. R. Holmes for the Minister of National Revenue, all of Charlottetown, P.E.I.

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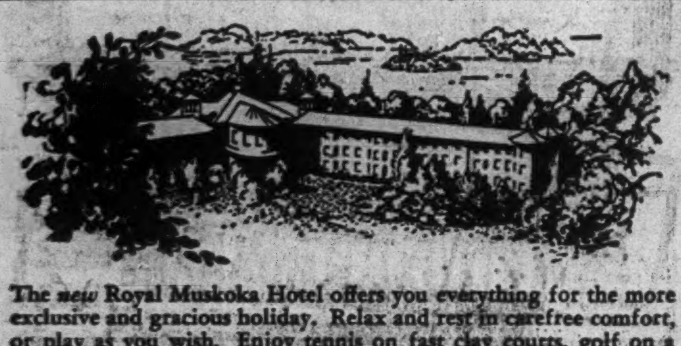
1948
BRITAIN—HOST TO THE OLYMPICS

BRITISH RAILWAYS



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THE NEW Royal Muskoka
LAKE

B. C. Pink Slip Car Insurance Eased in Interest of Tourists

From Our Own Correspondent

VANCOUVER — British Columbia's "pink slip" auto insurance law has been eased considerably in the interests of tourists.

Attorney-General Gordon Wismer has announced that 24-hour service will be provided by police for tourists who have been in accidents and whose cars have been impounded.

Actually the law says that cars must be seized and held by the police after an accident until the owner can show proof of either insurance or financial responsibility. Insurance firms issue the "pink slips" which show that the motorist is insured and claims can be met.

The system has been protested violently, especially by tourist officials here, because many U.S. tourists who are not familiar with the law and are in accidents have difficulty proving responsibility. In most cases they are insured, but, as with many motorists, have no way of proving it.

Delegate's Authority

Said Mr. Wismer:

"I have issued instructions to officers in charge of B.C. Provincial Police detachments that in the case of tourists, the widest delegation of authority will be given so that there will be no delay in release from impoundment where the officer referred to in a proper case is satisfied that the insurance coverage is provided.

"A 24-hour service is being arranged so that an officer at each detachment office will be available at all times.

"He will have the authority to arrange the immediate release of motor vehicles in proper cases."

New Life Sales $103 Millions

Sales of new ordinary life insurance in Canada and Newfoundland in April were $102.8 millions, about one half of one per cent lower than in April, 1947; about equal to the increase shown in March.

Increases were shown in Saskatchewan, Ontario and Prince Edward Island. Other areas showed declines.

Total sales in the first four months of the year were $407.9 millions, a fractional decline from $409,126 in 1947.

The figures, compiled by the Canadian Life Insurance Officers Association, are for new ordinary life insurance, exclusive of dividend increases, revivals, annuities, etc.

Sales of New Ordinary Life Insurance
In Canada and Newfoundland
(000's of $)
Sales in April

	1948	1947
British Columbia	8,855	9,122
Alberta	5,792	6,070
Saskatchewan	3,270	3,054
Manitoba	5,282	5,422
Ontario	45,248	42,821
Quebec	27,363	28,886
New Brunswick	2,632	2,752
Nova Scotia	3,457	3,988
Prince Ed. Island	380	348
Newfoundland	531	948
Total—Canada & Nfld.	102,810	103,391

Sales by Months
(000's of $)

	1948	1947
Jan.	99,037	101,411
Feb.	101,483	100,241
Mar.	104,653	104,083
Apr.	102,810	103,391
May	......	108,237
June	......	103,605
July	......	97,443
Aug.	......	82,111
Sept.	......	86,356
Oct.	......	102,600
Nov.	......	112,819
Dec.	......	101,081
	407,983	1,203,378

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ON DOMINION SQUARE
J. ALDERIC RAYMOND, PRESIDENT

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Plant location is not just a real estate problem. Somewhere, there is a community where your over-all manufacturing and distribution costs combine to show maximum economy. With our extensive sources of factual data and our broad experience in industrial placement, we are well equipped to make the studies and analyses that point to that community.

We invite you to avail yourself of our services, without any obligation on your part.

CANADIAN NATIONAL RAILWAYS

DEPARTMENT OF
RESEARCH & DEVELOPMENT
360 McGILL ST.,
MONTREAL 1, QUE.

CNR Starts New Diesel On Main Line

MONTREAL (Staff)—Government-owned CNR rolled out its brand new General Motors Diesel-electric locomotive this week. Streamlined and powerful—4,500 hp in three units—the locomotive will start work in freight hauling service on the Toronto-Montreal run. Fresh from GM's Chicago shops, the new road Diesels cost more than $600,000 for the three 1,500 hp units, but are expected to do more than pay their way by reducing operating costs. Starting CNR's new "9000" Diesel electric series, the locomotive is the first of two which were ordered.

Early last month the first two of 18 650 hp Diesel electric locomotives to be used by CNR in the complete Dieselization of its Prince Edward Island lines were delivered by Canadian Locomotive Co.

Down at Montreal's Bonaventure station, where the new GM job was on display last week, more than one railwayman voiced nostalgic regret that Diesel-electrics were nudging steam engines off the rails. CNR president R. C. Vaughan says: "They represent a technical advance in motive power with which we will be able to continue to serve Canada with the most efficient, economic and modern form of land transportation."

Two important advantages of the Diesels are their adaptability and availability. They can serve as heavy duty freight locomotives with a top speed of 50 mph or handle long, standard weight pullman trains up to 102 mph. Units of 1,500 hp each may be coupled in combinations of one, two or three units to provide 1,500, 3,000 or 4,500 hp.

Unlike steam locomotives the Diesels can make long runs without stopping for water, fuel; do not need to be laid up for firebox cleaning, ash removal and boiler washing. They are equipped to carry 3,600 gallons of fuel oil and can haul a 100-car freight train between 450 and 500 miles before refueling. CN's refueling points for the new locomotives are at Mimico and Montreal.

Operated much like a tram car, the simplicity of the controls makes it possible for engineers to take over the Diesels after only a few practice trips. Inside the cabs are as clean as a whistle with engine parts easily accessible, so that running repairs can be made. Pistons, cylinder liners and bearing shells can be replaced without interruption of service. Cabs are also equipped with such fancy accessories as leather-covered swivel armchairs, no-draft windows, sun visors, windshield wipers and defrosters. The Diesels are also equipped with a toilet.

If and when the locomotives are required for passenger service a steam boiler will be installed for heating passenger cars. On CNR's P.E.I. service, passenger trains carry a steam generator car operated in conjunction with the new Diesels. These are self-contained and operate automatically; fuel and water are sufficient to keep them in operation for an entire week in sub-zero temperature.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes.

C. S. SMITH, inspector in the department of the superintendent of Alberta branches, Calgary, to be manager, Calgary.

N. B. WEIR, an inspector at Head Office, Toronto, to be manager, Hamilton, Ont.

J. G. PORTER, accountant, Dunnville, Ont., to be manager, Parkhill, Ont.

H. C. REEVES, manager, Willingdon, Alta., to be manager, Staveley, Alta.

T. E. McPHERSON, audit officer in the Department of the Superintendent of Alberta branches, Calgary, to be manager, Willingdon, Alta.

B. E. ORTON, accountant, North Winnipeg, to be manager, Winkler, Man.

N. A. RUDIAK, manager, Winkler, Man., to be manager, Blake & Logan, Winnipeg.

• • •

The Royal Bank of Canada announces the following staff changes.

A. E. S. HINDE, to be joint manager, Ciudad Trujillo, D. R.

J. E. AUSTEN, to be manager, Gander, Nfld.

C. BELLIVEAU, accountant, St. Johns, Que., to be manager, Valleyfield, Que.

J. L. BROWNE, accountant, Woodstock, Ont., to be manager, Lakefield, Ont.

H. W. FRASER, manager, Burk's Falls, Ont., to be manager, Wiarton, Ont.

R. U. BOUSQUET, manager, Valleyfield, Que., to be manager, St. Hyacinthe, Que.

A. D. INSLEY, assistant manager, Portage Ave., Winnipeg, to be assistant manager, Calgary.

W. FRASER, Fairview, Vancouver, to be accountant, Chilliwack, B.C.

A. J. D. BRIDGE, Main & Logan, Winnipeg, to be accountant, Minnedosa, Man.

W. C. REID, of Ciudad Trujillo, D. R., retires.

• • •

The Bank of Nova Scotia announces the following staff changes.

E. D. BLAIR, to be manager, Hastings & Columbia, Vancouver, B.C.

A. S. MacKENZIE, to be manager, Middleton, N.S.

S. J. DUNSFORD, to be manager, Canning, N.S.

W. A. McMULLEN, to be manager, Picture Butte, Alta.

J. F. WILSON, to be an assistant manager, Vancouver, B.C.

E. C. BOWER, to be an assistant manager, Vancouver, B.C.

A. L. BAILEY, to be an accountant, Saint John, N.B.

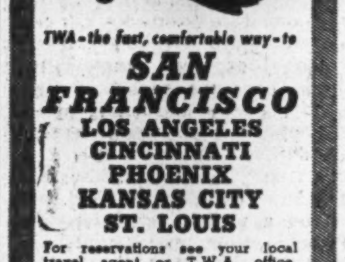
G. S. ROBINSON, to be an accountant, Vancouver, B.C.

PORCUPINE REEF GOLD MINES balance of option outstanding to Broulan Porcupine Mines, comprising 100,000 shares at 37½ cents, 200,000 shares at 45 cents and 100,000 shares at 50 cents, has been replaced by Dec. 31, 1947, agreement which provides that: Broulan shall be reimbursed in respect to moneys expended on company's property by issue of shares at the above rates.

SILKNIT LTD. directors have declared an initial quarterly dividend of 15c. a share on the common stock. The quarterly dividend is payable June 15, to shareholders of record June 4.

BANK OF CANADA

	May 26, 1948	May 19, 1948
	$	$
Liabilities		
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,193,225,386	1,192,524,565
Deposits: Dom.	125,999,055	112,999,071
Chart. banks	532,508,976	533,628,542
Other	87,625,168	94,955,999
Total deposits	746,133,199	741,580,612
Liabs. payable in sterling, U.S.A. and for'n. gold currencies:		
Deposits	483,591	483,591
All other liabs.	13,818,054	13,882,652
Total liabs.	1,968,710,597	1,963,524,878
Assets		
Sterling & for'n. exchange	483,591	483,591
Other currencies	87,321	96,198
Total	570,912	579,789
Subsid. coin	216,458	215,344
Advances to:		
Chart. & Sav. banks	......	1,000,000
Investments:		
Dom. govt. sh.	1,149,523,366	1,141,067,365
Oth. Dom. gov.	772,963,294	770,096,902
Total invest.	1,922,486,660	1,911,164,267
Ind. dev. bank		
Total share cap. at cost	25,000,000	25,000,000
Premises	2,410,911	2,410,197
All other assets	18,025,656	23,155,190
Total assets	1,968,710,597	1,963,524,787



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From a self-portrait

Many a once-scoffed-at artist is now acclaimed as a master. Van Gogh, for example, sold only one painting during his entire lifetime—and that to a friend! Yet today the paintings he left behind are valued at upwards of twenty million dollars. The quality in his painting is at long last recognized.

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Financial Post

DIVIDEND NOTICES

NOTICE OF DIVIDEND
JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 14 of twenty-five cents per share has been declared on the outstanding no par value common stock of the Company, payable on the second day of July, 1948, to shareholders of record the fifteenth day of June, 1948.

By Order of the Board.

L. C. BONNYCASTLE,
Secretary.

London, Ontario,
May 25, 1948.

Gatineau Power Company

Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares.

Quarterly dividends have been declared of $1.25 a share on the 5% Cumulative Preferred Shares, $1.38 a share on the 5½% Cumulative Preferred Shares and 30c a share on the Common Shares, in each case payable July 1, 1948, to holders of record at the close of business June 1, 1948. Cheques in payment will be mailed. Stock Transfer Books will not be closed.

J. R. BINKS,
Secretary.

Montreal, Canada,
May 19, 1948.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that on April 28, 1948, the Board of Directors of this Company declared a dividend of Fifty Cents (50c) per share upon the outstanding Capital Stock of the Company, payable July 1, 1948, to Shareholders of record at the close of business, June 14, 1948, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government.

Cheques will be mailed to Shareholders.

By Order of the Board,

W. A. CAMPBELL,
Secretary.

Hamilton, Canada,
May 21, 1948.

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A dividend of two dollars per share has been declared payable on the 15th day of July, 1948 to shareholders of record at the close of business on the 15th day of June, 1948.

MONTREAL,
May 26, 1948

S. C. SCADDING,
Secretary

York Knitting Mills, Limited

DIVIDEND NOTICE

Notice is hereby given that the half-yearly dividend of 20c. per share has been declared on Class A Shares of the Company payable June 30, 1948, to shareholders of record at the close of business on June 15, 1948.

By Order of the Board,

J. S. LEWIS,
Secretary.

Toronto, Ontario,
May 27, 1948.

WATEROUS LIMITED

Dividend Notice No. 3
Common Stock

Notice is hereby given that the third quarterly dividend of twenty cents a share, being at the rate of eighty cents per share per annum, has been declared on the outstanding Common Shares of the Company, payable on the 15th day of July, 1948, to shareholders of record at the close of business on the 30th day of June, 1948.

By Order of the Board.

D. TALBOT,
Secretary.

L. C. SACHS,
Treasurer.

Dated at Brantford,
May 26, 1948.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable June 15th, 1948, to shareholders of record at close of business June 5th, 1948.

(Signed) W. S. BARBER,
Secretary-Treasurer.

Canada Machinery Corporation, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of twenty-five cents (25c.) per share on the no par value shares of the Company has been declared payable on and after the 28th day of June, 1948, to holders of record at the close of business on the 8th day of June, 1948.

DATED at Galt this 25th day of May, 1948.

R. L. HUNTER,
Secretary.

The Ontario Loan & Debenture Company

244th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 30th June, 1948, has been declared on the present paid-up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 2nd July, 1948, to Shareholders of record at the close of business on the 15th June, 1948.

By Order of the Board,

T. H. MAIN,
Manager.

London, Ontario,
26th May, 1948.

DIVIDEND NOTICES

SILKNIT LIMITED

Dividend No. 1

Notice is hereby given that a dividend of 15 cents per share has been declared on the Common Shares of Silknit Limited, payable on the 15th day of June, 1948, to shareholders of record, Friday the 4th day of June, 1948.

By Order of the Board.

H. T. BURGESS,
Secretary.

London Hosiery Mills, Limited

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend No. 4 of Twenty Cents (20c) per share has been declared on the outstanding no par value Class "A" Stock of the Company, payable on the First Day of July, 1948, to Shareholders of record at the close of business June 15, 1948, and that a dividend of Fifteen Cents (15c) per share for the first quarter of the Company's fiscal year has been declared on the outstanding Common Stock of the Company, payable on the First Day of July, 1948, to Shareholders of record at the close of business June 15, 1948.

By order of the Board.

H. F. RASMUSSEN,
Secretary-Treasurer.

London, May 20, 1948.

CANADA DRY

DIVIDEND NOTICE

The Board of Directors of Canada Dry Ginger Ale, Incorporated, at a meeting thereof held on May 25, 1948 declared the regular quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock and a dividend of $0.15 per share on the Common Stock; both payable July 1, 1948 to stockholders of record at the close of business on June 15, 1948. Transfer books will not be closed. Checks will be mailed.

WM. J. WILLIAMS,
V. Pres. & Secretary

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

FRIDAY,
THE
SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1948.

By order of the Board.

J. W. ROSE, Jr.,
Secretary.

TORONTO, May 19th, 1948.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of two dollars per share for the quarter ending June 30, 1948, has been declared on the Common Stock of the Company.

The above dividend is payable July 1, 1948, to shareholders of record at the close of business June 15, 1948.

By Order of the Board.

W. H. NESBITT, Secretary.

Toronto, May 28, 1948.

DOMINION SQUARE CORPORATION

Notice is hereby given that a dividend of fifty cents (50c) a share has been declared on the capital stock of the Corporation for the quarter ended 30th April, 1948, payable 15th July, 1948, to shareholders of record at the close of business 15th June, 1948.

By Order of the Board,

J. S. McFARLAND,
Secretary.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the one hundred and forty-eighth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for the quarter ending May 31, 1948, on the Preferred Stock of the Company, has been declared payable July 2, 1948, to Shareholders of record the 10th day of June, 1948.

By Order of the Board,

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
April 15, 1948.

MONTREAL LOCOMOTIVE WORKS, LIMITED

DIVIDEND NO. 9

A dividend of twenty cents (20c) per share on the Common Stock of this Company has been declared payable July 2nd, 1948, to holders of record at the close of business on June 4th, 1948.

Transfer books will not be closed.

CARL A. SUNDBERG,
Secretary.

May 25, 1948.

Prairie Wheat Outlook Good

(Special Correspondence)

WINNIPEG — In spite of fears earlier entertained because of the delayed seeding season, the promise for the western crop as at June 1, was unusually good. Delays caused some decline in acreage, with perhaps 1.5 million fewer acres in wheat than farmers would have liked to seed. Of that, probably not more than one half will be left fallow this year, the remainder being taken up by increased seeding of oats and barley, work on which is still in progress.

Although wheat seeding had to be continued longer than is usually desirable, the delay is more than compensated for by good moisture conditions and by subsequent good growing weather, resulting in very rapid germination. Most farmers still have some seeding to do but by far the greater part have accomplished most of their program for the year.

As is always the case, June rains are wanted. In spite of the good subsoil reserve of moisture, the hot weather of the past 10 days has dried out the surface, and most farmers now want to see more rain within a week or so at the latest. Granted satisfactory conditions from this time on, production of an excellent crop is reasonably to be hoped for.

DIVIDEND NOTICES

H. R. Macmillan Export Company, Limited

NOTICE IS HEREBY GIVEN that a dividend of 12½ cents per share on the Class "A" shares of the Company has been declared for the quarter ending June 30th, 1948, payable June 30th, 1948, to shareholders of record at the close of business on June 10th, 1948

NOTICE IS HEREBY ALSO GIVEN that a dividend of 7½ cents per share on the Class "B" shares of the Company has been declared for the quarter ending June 30th, 1948, payable June 30th, 1948, to shareholders of record at the close of business on June 10th, 1948

The Transfer Books will not be closed.

DATED at Vancouver, B.C., this 26th day of May, 1948.

By Order of the Board.

G. D. ECCOTT,
Secretary.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

Incorporated under The Companies Act (Canada)

5% SECOND MORTGAGE 50-YEAR BONDS AND DEBENTURE STOCK, DUE 1963

Notice is hereby given that in accordance with the provisions of the Trust Deeds securing the 5% Second Mortgage Bonds and Debenture Stock, a payment of five per cent., as under, will be made on 1st July, 1948, to the holders of the Second Mortgage Bonds and Debenture Stock, in respect of interest for the year ended 1st December, 1947. Payment will be subject to the regulations and instructions of the Custodian of Enemy Property and also to the exchange control restrictions applicable thereto,

(1) Interest at the rate of one shilling (£0.1.0) for each £1 of stock will be paid on 1st July, 1948, by cheque in sterling to Second Mortgage Debenture Stockholders of record on that date. As provided in the Trust Deeds, no transfer will be registered during the twenty-one days immediately preceding the said date of payment.

(2) Interest at the rate of five pounds (£5.0.0) on each bond of the par value of £100, and two pounds ten shillings (£2.10.0) on each bond of the par value of £50, will be paid in sterling to holders of Second Mortgage Bonds on presentation of Coupon No. 7-X on and after 1st July, 1948, at the Bank of Scotland, 30 Bishopsgate, London, England, or at the office of The Canadian Bank of Commerce, 25 King Street West, Toronto, or at its Agency in New York, Exchange Place & Hanover St., New York City, U. S. A., at the holder's option.

Dated Toronto, Canada, 1st June, 1948.

The Mexican Light and Power Company, Limited,

E. A. GRAYDON,
Secretary.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

Incorporated under The Companies Act (Canada)

6% CUMULATIVE INCOME DEBENTURE STOCK

Notice is hereby given that in accordance with the provisions of the Trust Deeds securing the 6% Cumulative Income Debenture Stock, an interest payment of six per cent. will be made by cheque on 1st July, 1948, to stockholders of record on that date. As provided in the Trust Deeds, no transfer will be registered during the twenty-one days immediately preceding the said date of payment.

Payment will be subject to the regulations and instructions of the Custodian of Enemy Property and also to the exchange control restrictions applicable thereto.

Dated Toronto, Canada, 1st June, 1948.

The Mexican Light and Power Company, Limited.

E. A. GRAYDON,
Secretary.

Donnell & Mudge Limited

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend of 25c per share on the outstanding Class "A" Shares of the Company has been declared for the quarter ending 30th June 1948, payable 1st July, 1948, to Shareholders of record at the close of business 10th June, 1948.

By Order of the Board,

H. C. DWYER,
Secretary.

Dated at New Toronto, Ontario.
22nd May, 1948.

Regina Accepts Debenture Offer

From Our Own Correspondent

REGINA—A proposal submitted by a syndicate of seven investment houses to sell five debentures totaling $1,967,000 has been accepted by the city of Regina.

The debentures, to be used in financing city improvement and construction, will mature serially between 1949 and 1972. They include hospital extension, $900,000; collegiate institute addition, $300,000; storm sewers, $500,000; sewage disposal plant, $250,000; swimming pools, $300,000.

The proposal of the syndicate was for the city to authorize it to sell the debentures before June 15, at $98.29 for $100. Average interest to the city will be 3.7%.

The syndicate is composed of the Bank of Montreal, Bank of Nova Scotia, Bell, Gouinlock and Co., Mills Spense and Co., James Richardson and Sons, Houston Willoughby and Co., and Dominion Securities Corp.

Barley Study Scholarships Are Offered

From Our Own Correspondent

WINNIPEG—Five scholarships are being awarded each year by the recently organized Barley Improvement Institute as a stimulus to research for new varieties of malting barley. The scholarships will be good in any Canadian university which undertakes barley research.

The Institute, which is being financed by the brewing and malting industries of Canada started operations here May 1. It is headed by Prof. T. J. Harrison, a widely known barley authority, who since 1939 has been assistant for Manitoba to the Board of Grain Commissioners for Canada.

Greatest need in the barley industry, says Prof. Harrison, is for varieties with good malting qualities and better agronomic properties. To assist in developing them, the institute proposes to aid plant breeders at approved institutions.

The scholarships are being awarded to encourage university graduates to undertake advanced study in barley research.

Bonar-Bemis Ltd. Widens Operations

WINNIPEG — Supplementary letters patent have been issued changing the corporate name of Canadian-Bemis Bag Co. to Bonar & Bemis Ltd. The Bonar and Bemis interests have about equal shares in the company and, except for the fact that the former are identified in the new name, there is no change in the company organization.

The firm at present has plants in Winnipeg and Vaucouver and is preparing to enter the Ontario field. It is building a new plant at Freeman near Hamilton at an estimated cost of $450,000, $250,000 for the building and $150,000 for equipment. With these facilities and a Bonar plant in Montreal affiliated with the Scottish firm, Thomas Bonar & Co., it aims to cover the Canadian market.

The Ontario plant when in operation will employ about 50 persons.

Its output will be exclusively paper bags, multi-wall, converted paper products. The plant will not manufacture any products of cotton and jute.

Foundation Co. Builds Montreal Freight Shed

Foundation Co. of Canada is awarded general contract by the National Harbors Board for immediate building in Montreal of a 600-ft. $500,000 freight shed just east of Victoria bridge. The shed is among first items in an NHB plan to make Montreal port installations among the continent's most up-to-date. Farther east, Montreal Shipping Ltd. has put up a prefabricated building to handle summer cargoes; it will be dismantled in winter.

Proprietary Mines Limited

DIVIDEND NO. 41

NOTICE is hereby given that a Dividend of three cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on July 9th, 1948, to shareholders of record at the close of business on June 9th, 1948.

By Order of the Board,

J. INGRAM,
Secretary-Treasurer.

Toronto, Ont., May 27, 1948.

Donnell & Mudge Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 20c per share on the outstanding Common Shares of the Company has been declared for the quarter ending 30th June, 1948, payable 1st July, 1948 to Shareholders of record at close of business 10th June, 1948

By Order of the Board.

H. C. DWYER,
Secretary.

Dated at New Toronto, Ontario.
22nd May, 1948.

Grain Prices

Winnipeg Grain Futures

Week to May 31, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close May 31
		Oats			
1.07½	.72	May	1.07½	.96⅝	1.07⅝
.95½	.68½	July	.92⅜	.88¼	.92
.83⅞	.66⅝	Oct.	.83⅞	.80⅝	.83⅝
		Barley			
1.35½	1.06	May	1.35½	1.24	1.34¼
1.21½	1.03¾	July	1.21½	1.17¼	1.21⅝
1.25¾	.96½	Oct.	1.08¼	1.06⅝	1.07⅝
		Rye			
4.83	3.60	May	.....	.....	4.67
3.93½	3.01	July	3.60	3.33	3.38¾
3.03¾	2.68	Oct.	3.05	2.97	2.90

Cash Quotations

	For Week May 31 High	Low	Prev. Week High	Low
Oats				
2 C. W. .	1.05½	.96	.98⅜	.96½
3 C. W. .	1.02½	.96	.95⅜	.93½
Barley				
1 Feed ..	1.30¼	1.21	1.21	1.19
2 Feed ..	1.19⅝	1.11⅜	1.14⅜	1.11¼
Rye				
2 C. W. .	4.77	4.60	4.83	4.77

Will Railways Compete In Trucking Field Next?

MONTREAL — Are Canadian National and Canadian Pacific railways launching a new competitive drive in the truck transport field? And if so, will their activities drive many small, independent operators out of business?

These questions were brought into the open last week by John Magee, executive secretary of the Canadian Automotive Transportation Association, in an address to the Transportation Conference of the Canadian Manufacturers

Mr. Magee stated that CNR had opened the competitive highway battle when it contracted with White Transport Co. in British Columbia to move CN freight on an additional fleet of trucks. This move, he declared, was to counter the purchase by Canadian Pacific Transport of the O.K. Valley Freight Lines operating in the Okanagan Valley. Moves and counter moves such as this, Mr. Magee thought, would result in "a repetition of the disastrous competitive struggle between the CN and CP from 1922 until the 1930's."

If such competition does take place, it appears that CPT is at least in on the ground floor. It now owns approximately 2,100 miles of routes, all in Western Canada. This means that CPT now operates a through route from Winnipeg to Creston. There is a 150-mile gap between Creston and the O.K. Valley Freight Lines at Osoyoos, B.C.; and Mr. Magee stated that the Automotive Transport of B. C. has confirmed a rumor that CPT has been negotiating for purchase of two companies, to fill this gap. If it were filled it would bring CPT's routes to within 225 miles of Vancouver, it is stated. CPT also states that it has given some preliminary consideration to the purchase of routes in Ontario and Quebec.

CPT Manager M. A. Keays, states that his line has no intention of running a through highway transport service between such points as Winnipeg and Creston; that it does not believe such highway movements economically sound, with possible minor exceptions.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BRAZILIAN TRACTION, LIGHT & POWER CO., 1947 net profit was up 12.4%. Increase in gross earnings was 18.31%, against 20.11% for 1946 over 1945. The continuing increase was due to increased sales, increased tariffs and improved exchange rates, over those prevailing during the first half of 1946.

Operating expenses increased 21.28% (33.67% for 1946 over 1945), principally due to rising labor costs and higher prices for materials.

The year witnessed a further growth in all company services except transportation, which was down due to relinquishing the tramway system in Sao Paulo.

Cash expenditures on capital account was $47,986,435 ($34,069,204 in 1946, $19,439,456 in 1945). The 1947 expenditures were 18% higher than estimated at beginning of year, due chiefly to increased cost of materials and increased payrolls, resulting from putting into effect of Sunday day-of-rest pay in August. In October, steps were taken to curtail certain aspects of the construction program, the most important being the Paraiba-Pirai diversion project, work on which was stopped. Pending completion of outside financing, the capital budget for 1948 has been set at $30 million.

The company entered into discussions with the International Bank of Reconstruction and Development with respect to obtaining capital for carrying out its hydro-electric and telephone construction program. As a result, the company has applied to the International Bank for a loan equivalent of between $75 and $90 million U.S. dollars for the years 1947 to 1951 inclusive. The proposed loan is conditioned upon a guarantee by the Brazilian Government of the company's obligations to the International Bank. A bill now before the Brazilian Congress, would authorize the Government to guarantee to the International Bank repayment of such loan. The annual meeting in June will ask shareholder approval of a by-law enabling the company to make the loan.

Electric power load growth continued; generation for the year for the Rio system was 1.316 million kwh., an increase of 11.8%. Generation for the Sao Paulo system was 2.358 million kwh., an increase of 8.7%. While water supply was good, it must be recognized that the whole system is operating without any adequate spare capacity and there is risk of being unable to maintain service in emergencies, the annual report states.

Although 23,599 new subscribers were connected to the telephone service during the year, an increase of 7.2%, shortage of materials continued and it was impossible to satisfy demands. Prospective subscribers awaiting connections totaled 126,571 at Dec. 31.

Although rationing and some other restrictions continued in 1947, combined gas sales in the cities of Rio de Janeiro, Sao Paulo and Santos showed an increase of 6.23%, with an increase in number of consumers connected of 8,767 or 4.8%.

The large decrease of 19.8% in total number of passengers carried over companies' systems was due principally to sale of tramway assays in Sao Paulo to the Companhia Municipal de Transportes Coletivos.

Installation of unit "D" in the Fontes plant in the Rio electric system has been postponed until the Paraiba-Pirai diversion becomes effective. When completed, this project will permit increasing the capacity of Fontes to roughly four times its present size and a considerable amount of additional capacity will be added when auxiliary plant of the Lages development is constructed a short distance downstream.

Total installed capacity of the Sao Paulo system is 460,650 kw. A new generating unit of 65,000 kw. was placed in service in the Serra do Cubatao system in April, 1947. Unit No. 6 at Serra do Cubatao was placed in service in April 1948.

CONSOLIDATED* INCOME ACOUNT Years Ended Dec. 31:	1947 $	1946 $
Gr. earn. fr. op.	92,578,431	78,253,700
Less: Op. exp.	57,087,476	47,079,254
Depreciation	6,601,311	5,490,551
S. f. & ot. ch.	966,708	885,386
Bond int.	1,485,429	1,464,359
Gn. amr. res.	1,000,000	1,000,000
Net rev. fr. subs.	25,477,507	22,294,300
Add: Other inc.	508,877	807,181
Net profit	25,986,384	23,101,481
Less: Pref. div.	23,604	32,542
Com. divds.	14,053,945	13,421,216
Surpl. for year	11,908,335	9,657,721
Earnings per Share and Dividend Record:		
Pref.: Earned	$6,604.32	$5,872.26
Paid	6.00	6.00
Com.: Earned	3.69	3.25
Paid	2.00	2.00

CONDENSED CONS. BALANCE SHEET As at Dec. 31:	1947	1946
Cash & gov. bds. ...	$19,505,197	$37,118,051
Accts. rec.	12,347,403	11,480,764
Inventories	20,882,095	17,061,873
Total curr. assets ..	52,735,695	85,680,688
Misc. assets	5,913,508	1,583,160
Inv. in subsids.	33,963,872	32,660,061
Fixed: Prop.	393,827,611	358,074,300
Total assets	486,440,686	477,988,209
Total curr. liab. ...	34,470,083	38,115,980
Funded debt	19,572,537	20,709,705
Deprec. res.	105,110,941	108,431,679
Other reserves	78,357,124	73,714,660
Capital stock	179,751,630	179,751,630
Subs. shs. o/s	1,684,193	1,684,193
Surp.: Brazilian ...	67,494,178	55,390,243
Working capital ...	18,265,612	47,564,689

Say Humans Eat More Horsemeat Animals Get Less

From Our Own Correspondent

CALGARY — Increasing use of horsemeat for human consumption in Europe is alarming Canadian fur breeders, who fear a shortage of food for their animals, J. E. Connolly, Bathurst, N.B., president of the Dominion Council of the Fur Breeders' Association, said here.

Horsemeat, he stated, had proved the best food for fur-bearing animals, giving them the gloss and color which made Canadian furs more desirable than those from other countries. With horsemeat shipments overseas increasing steadily, efforts are being made to find a substitute in the domestic market; and thus far, fish has proved the most satisfactory.

The Association, meeting here, asked that authorized selling agencies in Canada be permitted to sell mutation mink pelts according to the rules of a joint Canadian-U. S. marketing board.

The group also asked that a portion of the mutation mink market be offered for sale in Canada instead of, as in previous years, all being shipped to the United States. The Canadian market, the resolution said, could now absorb some of the more expensive pelts.

PROPRIETARY MINES has declared a dividend of three cents a share, payable July 9 to shareholders of record June 9.

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Atomic Reactor New Process Tool

Fission Energy Miracles Ahead for Materials, CMA Told

How goes industry's march toward application of atomic radiant energy as process medium and power fuel?

What is the state of Canada's military preparedness on the industrial front?

These and related questions were answered last week by industry and Government officials in an intensive round-table discussion on research at the Canadian Manufacturers' Association's national conference. Here is a Financial Post digest of the answers.

By CLIVE CHATTOE

Atomic fission has given industrial research and military preparedness on this continent a historic shot in the arm. But Canadian industry is lagging in application of the new-won knowledge. That was the stimulating criticism offered manufacturers last week by National Research Council President Dr. C. J. Mackenzie at the Canadian Manufacturers Association's national conference in Toronto.

Twenty-one speakers representing industry and government agencies, explored research opportunities, problems and accomplishments in a two-day forum which in point of attendance and interest stood unusually high this year as a CMA convention feature. The forum was divided in content almost equally between research in industry generally and that being devoted expressly to military preparedness or industry-armed services co-ordination.

What advice does Ottawa officialdom now offer industrial researchers?

Research policymakers, Dr. Mackenzie urged, must:

1. "Resist expansion at the sacrifice of quality . . . Success in any particular research is a matter of individuals; basic work can rarely be done by large groups as such . . . Clearly distinguish between straight development work, in which a line organization may be effective, and basic research, in which the production cell consists of one to three competent scientists with an equal number of helpers.

2. "Attain and keep national balance as between research and development . . . Strengthen both basic and applied research facilities but, because of Canada's relatively few first-class industrial research laboratories and our dependence on imported ideas of application, give particular attention to immediate application of new ideas and techniques.

Atomic Energy Open Door

"Use of radioactive isotopes and radiation techniques is perhaps the foremost opportunity. We in Canada were the first people outside United States to build an atomic energy pile.

"I am not sure, though, that Canadian industry is showing a similar interest in the application of these new and amazing techniques to its manufacturing processes. In United States and to a lesser degree in Britain hundreds of industries are trying to do so with, in many cases, prospects of great financial profit.

"We are producing isotopes and the essential radiation apparatus and, perhaps for the first time in the case of a brand-new development we are also in a position to pioneer industrial applications. Here is a great new challenge to the initiative and enterprise of Canadian industry."

What's being done to make the findings of Government laboratories easily available to industry?

Dr. Mackenzie's answer:

1. National Research Council is encouraging visits to its labs by representatives of Canadian industry "in hope that some plant manager may see something he feels is worth developing commercially, or some trick or device he can use. We are planning a conference with interested industrial representatives to discuss applicability of isotopes to industrial purposes.

2. By a 1947 amendment to the Research Council Act, provision was made to set up wholly-owned companies to exploit in the public interest the result of applied research in government labs.

First such company is Canadian Patents & Development Ltd., headed by E. R. Birchard, NRC's vice-president of administration, with offices at NRC Ottawa headquarters and with directors including representatives of industry and universities. Primary purpose is to make available through fee licensing the inventions, new processes and process improvements developed by NRC researchers. Eventually, the company probably will have charge of all Government-owned patents that can be made available to industry, including 1,300 enemy patents now held by the Custodian of Enemy property.

Are research effort and spending still expanding, despite phenomenal growth for war in the early 1940's?

Research spending per capita in Britain, United States and Canada has increased substantially since World War II so that it now stands at five to 10 times prewar totals, Dr. Mackenzie said. Government spending has increased from Canada's six times to Britain's more than 14 times prewar figures, and there has been parallel though smaller gain for industry.

On a per capita basis, Canada's government spending in this field is only 50% and private industry only 25% of similar U. S. outlay. But on the basis of national income, Canada's government outlay is nearly 76% and spending by industry 40% of U. S. spending.

What's the word from U. S. atomic researchers on fission energy for industrial processing and power?

According to Dr. Kenneth H. Kingdon, director of the Knolls atomic power laboratory operated at Schenectady by General Electric for Washington's Atomic Energy Commission, constructive alteration in properties of many materials can be achieved by exposing them in an atomic energy reactor, such as the huge uranium and graphite "piles" at the Sanford works in Washington, where the atomic fuel plutonium is made.

Here is a means of providing a great variety of altered substances. But these are going to be very expensive. Expense also might limit for some years the use of radioactive tracer elements, widely used now in biological research. One application was considered to simplify operations in a chemical plant; it was rejected because the tracers would have cost $25,000 a year.

Experts at Kingdon's Schenectady lab plan erection of modified piles in which atomic heat may be used as a power source.

How can industry best contribute to military preparedness?

Here's Dr. O. M. Solandt's answer (he's chairman of the Defense Research Board and director general of defense research): Development of new ideas at present is planned by each service individually. This setup works fairly well but can obviously be improved by facilitating more extensive consultation between the armed services, research authorities and industry in the formulation of a national development policy.

In the event of war, industrial preparedness in peacetime is just as important to victory as military preparedness. We have in Canada all the elements necessary to a tremendous industrial contribution to victory. If the full potential of these elements is to be reached quickly on short notice we must start now to formulate plans for industry's use, strengthen its research and development, foster partnership of science, industry and the armed forces.

Could Canadian industry fight a greater war? What are we doing about uniform standards and further collaboration with our allies on production schedules and raw material supplies? Where does Canada's new Industrial Defense Board fit in? (the recently announced committee of industry advising Ottawa on organization of the nation's war potential).

Answers come from H. J. Carmichael, head of the new IDB, vice-president of Conroy Manufacturing, St. Catharines, Ont.

Canada's potential war output as of today fully-mobilized, would be twice that attained during the World War II production peak. Incidentally, our nearly $1,000 per capita industrial war output then was greater than that of any of our allies.

"Because production potential is far beyond requirements of any armed force Canada could possibly muster, we are forming a very close alliance and working arrangement with U. S. and U. K. authorities through liaison officers at Washington and London. Executive committee of the new Industrial Defense Board during the first week in June will meet with executive committees of the U. S. Munitions Board and National Security Resources Board to realign wartime working relationships through the U. S.-Canada Joint Production Board. The process of standardization of U.S.-U.K.-Canada armed forces equipment is making very definite progress.

"When the Board is functioning fully it should be possible for us to plan a program for development of new industries required in an area with ample sources of power, materials and labor within the most economical range for the requirements, and to properly distribute any expansion geographically for minimum dislocation and maximum efficiency."

Primary object of the new Industrial Defense Board is "to help prevent World War III through industrial preparedness by ascertaining just what our industrial potential is, plant by plant from coast to coast; to keep this data up to date by frequent revision; to seek co-operation of all industry in supplying information and in individual preparedness."

What is minimum "front line" industrial preparedness?

Canada, according to Maj.-Gen. J. H. McQueen, president of the Crown-owned Canadian Arsenals Ltd., should now have:

1. A sufficient reserve of each item of military equipment which can't be readily provided in sudden emergency;

2. Enough production capacity in operating arsenals and reserve facilities available to make noncommercial equipment and meet quick depletion of mobilization reserve;

3. Adequate plans for rapid conversion and construction to ensure noncommercial equipment in ever-increasing volume keyed to the potential time-rate of mobilization.

"Time will be the all-important factor in any future war emergency. The value of industrial preparedness plans will depend almost entirely on the contribution made by industry as a whole—through such agencies as the Canadian Manufacturers' Association and Canadian Ordnance Association. The latter body is now firmly established and committees are being formed so that industry will be in a position to give the armed forces, Canadian Arsenals and other Government agencies specialized advice on industrial preparedness."

How can Canada achieve industrial preparedness in the air?

One answer is offered by Terence Sheard, assistant general manager of National Trust Co., Toronto, a director of Canadian Ordnance Association and member of its aircraft committee, former Air Member for Supply of the Dept. of National Defense.

Here, according to Mr. Sheard are "certain broad fundamentals of air defense and policies Canadian industry can deduce from them:

1. Air defense should be main instrument of the over-all defense plan;

2. The RCAF and Fleet Air Arm require support of an active and well-integrated aircraft industry capable of supplying most, if not all, of the airborne equipment for their peacetime program, and capable of expansion at a rate commensurate with any contemplated expansion of their service in time of war;

3. Air defense as it develops must be closely integrated with that of the United States and Britain, particularly in its industrial aspects and particularly with United States.

"Whereas for most industries the problem of transition from peace to war is a conversion problem, what differentiates the aircraft industry is that (a) its peacetime products have a direct or indirect wartime use, and (b) no aircraft industry in the world exists without a large measure of government support."

First half of the CMA research forum was devoted to civilian industry; to problems faced and results achieved by scientific study in that "continuing" branch of the economy. Companies represented by speakers included Aluminum of Canada, Canadian Breweries, Imperial Oil, Consolidated Mining, Massey-Harris, American Can, Ayerst, McKenna & Harrison, Yocum-Faust. Here are typical observations:

Dr. Arnold Pitt, **Massey-Harris**, Toronto, on that company's research policy and organization—Assist company engineering departments on special technical problems; submit on occasion broader problems to quasi-public and government agencies; devise new products or processes based on original on-farm study; test new materials, process ideas or machines which offer possible cost savings in farm tool manufacture or sales; study research results in competitive industry.

T. A. Faust, **Yocum-Faust Ltd.**, London, Ont.—The individual small producer usually can't afford original research. But to his own substantial advantage in many cases he is grouping with other small companies to work established research organizations. Ontario Research Foundation at Toronto is one such agency affording continuous aid to small business.

R. R. Perry, **Consolidated Mining & Smelting**, Trail, B.C.—Success of "Cominco" has been a direct result of industrial research—the Betts electrolytic lead refining and the electrolytic zinc processes, zinc recovery from slag by fuming, suspension roasting of sulphide zinc concentrates, sulphuric acid and elemental sulphur from metallurgical waste gases, tin recovery from mine tailings. "Fundamentally we are following the same basic business principles as stockbrokers, insurance adjusters and production managers . . . Industrial research is a business with an extremely high risk factor but almost limitless profit potential.

W. O. Twaits, **Imperial Oil**, Toronto—Mineral prospecting is another form of research. Canada's recent and already world-great oil discovery in Alberta's Leduc area was drilled on the basis of a seismographic survey. This, incidentally, supports optimism that further important finds in the district may be dead ahead. Discovery of Leduc came at a critical time; its production began at once to displace imported crude oil worth U.S. $18,000 a day. Production of 65,000 to 75,000 barrels a day can be visualized by late 1950.

W. A. Leslie, **Ayerst, McKenna & Harrison Ltd.**, Montreal—The Chemical Institute of Canada, National Research Council, Dominion Departments of Lands & Forests and Trade & Commerce should get together under the auspices of the Canadian Manufacturers Association to develop means whereby Canada may give her scientists wider opportunity at home. Two of Canada's biggest needs of the hour are new products and wider markets. Both can be met by an expanded research program. But right now we're exporting the wrong thing—trained scientists. Every effort should be made by industry and government to hold trained scientists in Canada against the blandishments of generally higher salaries in United States. Most effective would be (a) extension of research activities within Canadian industry, and (b) government encouragement for the setting up of new industries to produce and process raw materials many of which today are being exported in crude form or aren't being produced at all.

Donald W. Buchanan, Ottawa, secretary, **Advisory Committee on Industrial Products Design** (Dept. of Trade & Commerce)—One of the urgent research needs in Canada today is a complete university course in industrial product design. This would be similar to Chicago's present course leading to a Bachelor of Arts degree in Products Design, in which basic studies include arts, mathematics, organic design and mechanical drawing, while advanced studies are given in industrial drafting, sculpture, construction techniques, economics and sociology. Canada can learn much from the product design training and techniques developed recently in United States and Britain.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

HUNT'S LTD. sales increased 17.25% to $2,753,991 in 1947, the highest point in the company's history. Consolidated net profits, after charging operating expenses, depreciation and income taxes, at $102,534 were only $673 above previous year which excluded earnings of Modern Properties.

Taxation continues to be a heavy burden, Chairman Harry W. Hunt states. Federal taxes, sales tax and excise tax, increased retail selling price of products to a point where consumer resistance was experienced and company potential affected thereby.

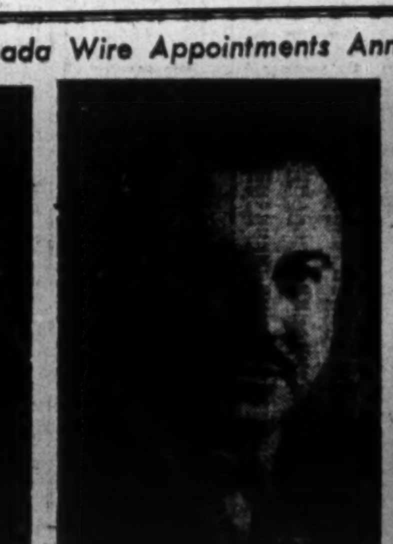
Plans have been made for greatly expanded wholesale operations with plans calling for national distribution of the candy line through selected dealers to be appointed from coast to coast. In 1947, an extensive addition was built to the Orillia bakery and six new candy and bakery stores are being opened in Toronto and one each at Barrie and Ottawa.

Inventories are being maintained at levels which are considered proper.

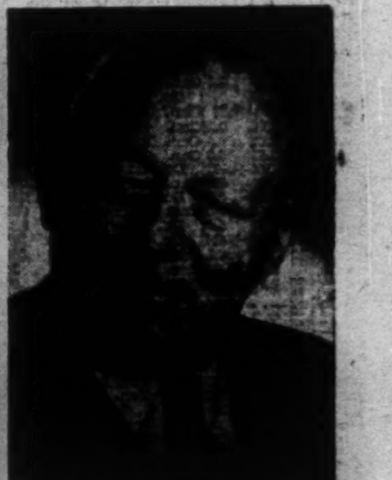
CONS. INCOME ACCOUNT		
Years Ended Dec. 31:	1947	†1946
Sales	$2,753,991	$2,348,731
Net oper. income	229,459	264,127
Less: Deprec. res.	58,606	37,554
Income taxes	68,319	116,712
Net profit	102,534	101,861
Less: Dividends	53,850	53,850
Surplus for year	48,684	48,011
†General accounts.		
Earnings per Share and Dividend Record:		
Cl A & B	$0.76	$0.69
Paid	0.40	0.40
CONDENSED CONS. BALANCE SHEET		
As at Dec. 31:	1947	†1946
Cash & Dom. bds.	$76,913	$348,705
Accts. rec.	17,120	17,388
Inventories	176,832	162,920
Life ins., c.s.v.	22,450	21,500
Total curr. assets	293,315	550,483
Prep. exp., etc.‡	25,330	14,774
Misc. assets‡	73,877	76,938
Fixed assets*	1,000,972	407,808
Total assets	1,393,494	1,049,993
Total curr. liab.	246,102	319,118
Mtges. pay.	325,665	
Capital stock	808,337	748,337
Surplus●	13,290	●17,462
*After deprec.	780,632	734,686
∆Incl. ref. EPT	73,877	72,000
●Deficit.		
†General balance sheet.		
Working capital	47,213	231,365

Canada Wire Appointments Announced

O. W. TITUS



L. G. LUMBERS



T. A. GASS

The appointment of O. W. Titus as General Manager of Canada Wire & Cable Company Limited has been announced by J. Y. Murdoch, President of the company. Mr. Titus, former Chief Engineer, was released for the appointment through the co-operation of the English Electric Company of Canada, where he served as Vice-President. L. G. Lumbers has been appointed General Sales Manager. T. A. Gass is assistant to the General Manager.

You Need More Than A Will

To GUARD your family's future security, a properly made Will is important. But a Will by itself is not enough.

You will also be wise to appoint an experienced and proven Executor — an Executor who is competent to carry out the plan of your Will, who will always be on the job, and who will take a personal interest in the welfare of your family.

National Trust Company is such an Executor.

Write for free booklet
"Security for Your Family"

NATIONAL TRUST
COMPANY, LIMITED
TORONTO, MONTREAL, HAMILTON,
WINNIPEG, EDMONTON, VANCOUVER.

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CKNW
THE Only STATION
THAT COVERS BOTH
HALVES OF THE
"VANCOUVER AREA"

MANAGEMENT SERVICES
in
Time, Motion and Methods Study
Incentive Plans and Job Evaluation
Foremen and Supervisory Training
Personnel Selection, Placement and Training
Cost, Production, and Budgetary Controls
Sales, Distribution and Markets
Office Systems
Surveys of Operations

J. D. WOODS & GORDON Limited
15 Wellington St. W., Toronto, Canada

MANAGEMENT CONSULTANTS

The year was 1847 . . .

: : . Malcolm McRae was beaten into unconsciousness, left in a ditch to die. He was a voter in the Third District, Prince Edward Island who had, the previous year, voted against certain members who were later unseated on charges of intimidation and violence.

Now a new election was called—but Malcolm McRae was warned *not to vote.* In those days he was not protected by the secret ballot—yet Malcolm McRae determined to set out for the polls, risking his life for the right to vote.

Today, because of the courage of men like Malcolm McRae, you run no risk at all in your free, unhampered exercise of the franchise.

When YOU cast your secret ballot at every election—municipal, provincial, federal—you exercise a duty and privilege planned, worked and fought for by your forefathers. Your vote protects the future of your children. To fail in this duty is to be less than a good citizen.

Published in the Interests of Good Citizenship by

Gooderham & Worts
LIMITED
Distillers · Toronto
Established 1832

Waterfront of the Town of York (now Toronto) in 1832
Gooderham & Worts Mill in foreground.

THIS WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING MAY 28

Montreal and Toronto Winnipeg, Calgary and Vancouver

Range 1948 High	Low	Div Rate $	May 28 Y'ld %	Company	Sales	Last May 21	Week end. May 28 H	L	Cl'se
21	19	1.00	5.1	Wilsils	175	20	19½	19½	19½
11½	9	....	...	Windsor Hotel	12	10½	10½	9	10½
26½	20½	1.00	3.9	Winnipeg El. A	1817	26	26	25½	25½
100	95	5.00	5.2	Do. pref.	40	98	97	96½	96½
54	38½	2.00	5.2	Woods Mfg. Pfd	2	40	38½	38½	38½
8½	6½	....	...	York Knit. A n	10	6½	7	7	7
27	25½	1.25	4.6	Zellers 5% p.	25	27	27	27	27

†Paid or payable in 1948.
xOn arrears.
‡Paid in 1947.
•Dividend deferred
‡Extras.
•Paid in 1946.
•N. Y. funds.
§Net after income taxes.
‡‡For each 20 shares held

Mining Stocks

Week Ended May 28

Oil Stocks

*N. Y. Funds
‡ Paid in 1946
‡ Paid in 1947..
x Extra
‡ Capita Repayment
† Paid or payable in 1948
• Divided deferred.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
May 31 ...	217,900	851,000	186,661	141,932	....
May 29 ...	....	....	......	......	....
May 28 ...	302,600	1,103,600	298,158	78,630	1,580,000
May 27 ...	356,600	1,107,000	134,040	105,433	2,220,000
May 26 ...	191,800	921,000	185,641	91,754	2,180,000
May 25 ...	278,300	1,222,000	165,516	148,508	2,210,000

STOCKS NOT TRADED THIS WEEK

Unlisted Mines

Approximate quotations, 3 p.m., May 31, subject to confirmation:

	Bid	Ask
Abenakis	.02½	.03½
Advance	.03	.04
Alcan	.02	.04
Alexander	.03	.05
Aljo	.01½	.03
Ama Kir	.07	.08
Anna'que	.01	.03
Argonaut	.03	.04
Audley	..	.03
Aurora Y	.09	.12
Auterra	.00½	.01½
Baker	.02	.04
Barb L n	.02	.04
Beaurly	.02	.04
Bi Ore	.42	.45
Blondor	.03½	.04½
Blue Grass	.01	.03
Bouzanne	.04	.06
Bourl C	.02	.04
Bradnor	.01	.03
Br Breest	.01	.03
Braminco	.13	.17
Bravo	.01½	.02½
Bright RL	.02½	.03½
B McDade	.10	.13
Burley Po	.01	.02
Camlaren	.04	.06
Captain.	.03	.04
Carimac	.01	.04
Carricona	.01½	.02½
Cassidy	.04	.06
Cen Mani	.06½	.07½
Cock R L	.02	.03
Columbier	.01	.02
Con Chib	.27	.30
Con Cop	.12	.14
Courageo	.01	.02
Craibbe	.08	.10
Croydon	.03	.04
Cuyuni	.10	.13
Delhi	.06	.08
Derlak	.02½	.03½
De Sant n	.03	.05
Dom Mal	.01½	.02½
Dom Nick	.04	.05
Dona Pat	.01	.02
Durham	.09	.12
Doris	.01½	.03
Echo Indin	.03	.05
Electra	.	.05
Elmac	.03	.05
Erin Kirk	.01½	.02½
Eltoro	..	.17
Flicka	.01½	.03
Gan Cop	.03½	.04½
Gilbec	.00½	.01½
Goldpac	.15	.20
Goodrock	.01	.02
Gor Lebel	.05	.07
Gov Gold	.03	.05
Grnd Chib	.47	.52
Grandeluc	.47	.52
Greenlee	.05	.06
Gr'ndhog	.10	.15
Gwilliam	.03	.04
Halden	.06	.08
Habitant	.03	.04
Harp Mal	.01½	.02½
Hornfault	.08	.11
Hayes Cd	.00½	.02
Hugh Pam	.07	.09
Independ	.05	.07
Joannes D	.01½	.03
Kamlac	.13	.15
Ken Bay	.07	.09
Kencour	.01	.03
Kenda Pe	.06	.09
Kenroy	.01	.02
Lk Expa	.05	.07
Lar-Add	.02	.04
La Salle	.04½	.06
Lavalie	.02½	.03½
Legardo	.00½	.001½
Lennie	.04	.06
Lingnora	.14	.17
Louvore	.01	.02
Macho-R	.07	.10
Major Oil	.03½	.04½
Malen RL	.06½	.07
Marbenor	.06	.08
Marquette	.02	.04
Mar Bird	.05	.06
Mary Ann	.03	.06
Mat Can	.33	.38
Mate Yel	.03	.05
Metalore	.04	.05
Miles RL	.07	.10
Mindus	.04	.06
Do., vt.	.04	.06
Mink	.03	.05
Mistassini	.22	.24
Moffat H	.01½	.02½
Mohawk P	.02	.04
Murbell	.00½	.01½
Murmac	.21	.23
McCuaig	.05½	.07
McManus	.05	.07
Nat M	.13	.15
Nayb '45	.05	.08
Newcore	.15	.20
New Aug.	.07	.09
New Mal	.06	.08
N Ranch	.08½	.09½
Nickel L	.09	.12
N Offsets	3.00	3.75
Norbeau	.50	.60
Norcourt	.03½	.04½
Norford	.01	.02
Normar	..	.05
Nortyne	.01	.03
Novele P	.02	.04
Obalski	.04	.08
Do. '45	.08	.10
Obaska	.10	.12
Oklend	.03½	.04½
Olivet	.01½	.02½
Opemiska	.11	.13
Orofino	.25	.27
Ortona	.03	.04
Palermo	..	.20
Pascalis	.09	.11
Peg Tant	..	.40
Pelangio	.03	.04
Payne	.05	.07
Phelps	.01	.02
Pinnacle	.01½	.02½
Poona Go	.01	.03
Presdor	.01½	.02½
Princess	.14	.16
Princeton	..	.20
Privateer	.22	.25
Quejo	.06	.07
Quest.	.02	.03
Rajah R L	.02	.05
Rambull	..	.03
Rand Mal	.04	.06
Randona	.12	.15
Raymond	.03	.05
Rebair	..	.23
Redruth	.01	.02
Redwood	.06	.07
Richgroup	.04	.06
Russet	.03½	.04½
Rhyolite	.02½	.03½
Salmita	.05½	.07
Santiago	.16	.18
Sepha	.02	.03
Sheldon	.13	.15
Silv Arro	..	.15
Skynner	.01	.02
S Dufalt	.14	.17
Sovereign	.05	.06½
Starlight	.03½	.05
Steeber	.00½	.01
Sun Bear	.07½	.09
Thornhill	.01	.02
Tiffany	.01½	.02½
Tobico	.01½	.02½
Tovarich	.00½	.01½
Trans A	..	1.00
Universal	.04	.06
Val d'Bel	.02	.03
Vermilion	.44	.44
Viking	.20	.25
Vinray	.03	.04
Wesley	.01	.02
West RL	.02	.03
Wilwood	.01	.02
Yelknife	1.40	..
Do., vt.	1.45	..
Y Davids	.18	.20

Unlisted Stocks

(Compiled from quotations supplied by Kamm, Garland & Co., Kippen & Co. and Intercity Securities Corp.)

May 31, 1948

	Bid	Ask.
Aikenhead Hardware	75.00	80.00
Acadia Apts. com.	9.50	10.50
Allens Kinkston units	75.00	....
Allens London Thea. pfd.	60.00	....
Allens Toronto units	40.00	....
Anglo Can. Telephone A	9.50	10.50
Barrymore Cloth pfd.	80.00	....
Beach Foundry pfd.	92.00	....
Beauharnois L. H. & Pwr.	12.50	13.50
Beauharnois Pow.	5.00	6.50
Brinton Peterboro Carpet	90.00	....
British Amer. Assur.	70.00	....
British Mtge. & Trust	185.00	....
B. C. Sugar	89.00	92.00
B. C. Telephone 6% pfd.	112.00	115.00
Brockville Trust $50 par	60.00	....
Canada Tea pfd.	96.00	....
Canadian Airways	2.50	....
Can. Co-op. Woolgrowers	8.00	....
Candn. Fire Ins. $10 par	18.50	20.50
Candn. & For. Sec. com.	3.00	....
Candn. Indemnity	17.00	....
Can. Invest. Fund	4.80	5.30
Can. Investors Corp.	7.00	7.75
Candn. Motor Lamp	12.50	14.50
Candn. Silk Products A	24.00	28.00
Can. West. Nat. Gas com.	60.00	....
Do. pfd.	18.50	20.00
Capital Wire Cloth com.	11.25	....
Do. pfd.	23.00	....
Cardy Corp. A	7.00	9.00
Cawthra Apts. units	6.75	....
Chase A. W. units	45.00	....
Colonial Realty com.	7.00	....
Colonial Steamships com.	92.00	96.00
Commercial Finance com.	15.00	18.00
Commercial Life 10% paid	8.00	....
Commonw'lth Inter. Corp.	3.70	4.07
Confed. Life 30% paid	180.00	....
Cons. Oka Sand & Gr. pfd.	1.50	3.00
Do. com.	.50	1.00
Continental Life 20% pd.	42.50	....
Cooksville A	11.00	12.00
Do. B	4.25	5.25
Copeland Flour Mills un.	40.00	....
Crown Life Ins. 100% pd.	310.00	....
Cuban Can. Sugar com.	4.50	5.00
Debent. & Securities pfd.	98.00	....
Detroit Inter. Bridge	11.00	13.00
Dom. Can. General Ins.	210.00	....
Dom. Life Assur.	220.00	....
Dover Industries Ltd.	10.50	11.50
Dunlop Tire pfd.	24.75	26.00
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25 %pd.	17.00	19.00
Essex Packers pfd.	46.50	49.00
Do. com.	5.00	....
Excelsior Life Ins. 40% pd.	100.00	....
Foreign Power Co.	3.00	6.00
Foreign Power Sec. pfd.	4.00	6.00
Galt Brass com.	34.00	....
Goderich Elev. & Trans.	15.50	17.00
Great West Life	375.00	400.00
Guardian Realty pfd.	45.00	....
Guaranty Co. of N. Amer.	385.00	....
Guelph & Ont. Svgs. $50 p	61.00	....
Gurney Foundry pfd.	31.00	....
Halifax Ins.	14.00	15.50
Hart Battery com.	7.50	8.50
Highland Dairy pfd.	53.00	....
Homewood Sanitarium	125.00	....
Hudsons Bay ord.	10.00	13.00
Imperial Life	350.00	375.00
Indust. Mtge. Tr. $50 par	60.00	....
Ingram & Bell pfd.	100.00	....
Lambton Loan & Inv. $50 p	83.00	88.00
Laprairie com.	5.00	7.00
Do. pfd.	95.00	98.00
Loblaw Groc. Inc.	19.00	20.00
Manufacturers Life Ins.	340.00	360.00
Moirs Limited 6% pfd.	120.00	....
Monarch Life 20% pd.	93.00	....
Monarch Mtge. units	4.75	5.75
Morrow Screw com.	24.00	....
Mortgage Discount units	.50	....
Mountainview Apts. pfd.	19.00	....
Nat. Drug & Chem. c. new	8.75	9.50
Do. pfd.	12.00	13.00
Natl. Life Assce. 25% pd.	72.00	77.00
New Bruns. Telephone	13.00	13.75
North Amer. Elev. 1st pfd.	75.00	85.00
Northern Tel. com.	1.75	2.50
Old Comrades Brew.	1.75	2.00
Ont. & Que. Ry. 6% cap stk	135.00	....
Ont. Tobacco Plant units	107.00	....
Paramount Oshawa pfd.	85.00	....
Peller Brewing com.	5.50	7.00
Do. pfd.	20.00	22.50
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Quality Steels com.	.50	.80
Ritchie Cut Stone pfd.	4.75	8.75
Sawyer Massey com.	1.50	2.25
Second Stand. Roy. pfd.	.02	.04
Seiberling Rubber com.	5.00	8.00
Sincennes McNaught. Tugs	2.50	....
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	36.00	40.00
Standard Fuel pfd.	42.00	44.00
Do. com.	3.00	5.00
Sun Life Assce.	470.00	475.00
Third Can. Gen. Inv.	3.00	3.90
Toronto Carpet pfd.	90.00	....
Toronto General Ins.	6.00	8.00
United Farmers Co-op.	2.50	4.50
United Steel A pfd.	24.50	26.00
Victoria Trust & Svgs.	132.00	....
Washington Royalties	.30	....
Waterloo Mfg. com.	5.00	6.50
Waterloo Trust & Svgs.	124.00	....
Western Assur. com.	62.00	67.00
Do. pfd.	48.00	....
Western Grain com.	.50	1.00
Do. pfd.	22.00	....
Wood, Alex. & James com.	3.00	....
York Trading com.	11.50	13.00

Stocks Not Traded This Week (Continued)

†Paid or payable in 1948.
‡Paid in 1947.
‡Paid in 1946. *N.Y. funds.
•Dividend deferred.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporations and Foreign Securities.

MUNICIPAL

Village of Burns Lake (Guaranteed by Province of B. C.)—3% debentures, due Sept. 1, 1948-67, $60,000, issued May, 1948. Sold at $98.75 to Pemberton & Son, Vancouver, Ltd.

Town of Victoriaville, Que.—2¾% and 3% debentures, due Mar. 1, 1949-53-68, $310,000, issued May 17, 1948. Sold at $97.16 to Wood, Gundy & Co., Ltd. and Societe de Placement Inc.

Town of Mount Forest, Ont.—3½% debentures, due June 15, 1948-68, $42,000, issued May 18, 1948. Sold at $103.38 to F. H. Deacon & Co.

Village of Belle River, Ont., for North Essex High School District—3% and 3½% debentures, due Apr. 1, 1949-53-58-63-68, $375,000 issued May 18, 1948, 1949-53 debentures sold, others offered at 3.25%, 3.50% and 3.65%, respectively, by Goulding, Rose & Co. Ltd.

School Commission of Township of Bourget, Que.—3% and 3½% debentures due Nov. 1, 1948-53-62, $60,000, issued May 18, 1948. Sold privately at $97.

School Commission of Village of Hebertville, Que.—3%, 3¼% and 3½% debentures, due May 1, 1949-53-58-63, $120,000, issued May 18, 1948. Sold privately at $98.25.

Town of Jonquiere, Que.—3% and 3½% debentures, due 1949-53-63, $225,000, issued May 18, 1948. Sold privately at $98.

School Commission Village of Jonquiere, Que.—3% and 3½% debentures, due 1949-53-63, $835,000, issued May 18, 1948. Sold privately at $98.

Town of Laprairie, Que.—3¼% and 3½% debentures, due May 1, 1949-58-62, $31,500, issued May 18, 1948. Sold privately at $100.

Town of Laurentides, Que.—3% debentures, due Sept. 1, 1948-57, $6,500 issued May 18, 1948. Sold privately at $100.

School Commission of Portneuf, Que.—3% and 3½% debentures, due May 1, 1949-53-68, $65,000, issued May 18, 1948. Sold privately at $99.25 and $99.50.

Village of St. Adele, Que.—3½% debentures, due Nov. 1, 1961, $34,100 issued May 18, 1948. Sold privately at $97.50.

School Commission Village of St. Emilien, Que.—3% and 3½% debentures, due Feb. 1, 1949-53-63, $60,000, issued May 18, 1948. Sold privately at $97.

School Commission of St.-Jean Baptiste of Montreal South, Que.—3%, 3¼% and 3½%, due Mar. 1, 1949-53-58-68, $180,200, issued May 18, 1948. Sold privately at $98.25.

School Commission of St. Ludger-de-Milot, Que.—3½% debentures, due Jan. 1, 1949-58, $76,000, issued May 18, 1948. Sold privately at $98.

School Commission of Ste. Therese, Que.—3% debentures, due Dec. 1, 1948-57, $12,000, issued May 18, 1948. Sold privately at $100.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.43	4.85
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.80	5.30
Can. Invest. Corp.	7.00	7.75
Commonwealth Int.	3.70	4.07
Corporate Invest.	8.81	9.45
Trans-Canada, A	14.15	....
Do. B	13.65	14.55

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

June 1, 1948

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	102¾	103¼
3	Mar. 1954	103¼	104¼
3	Nov. 1956	103¾	104¼
3	May 1957	102¾	103¼
3	Jan. 1959	101¾	102¾
3	June 1960	101¼	102
3	Feb. 1962	100¾	101¼
1½	Nov. 1950	100¼	100¾
3	Oct. 1963	100¼	101
3	Sept. 1966	100¼	101
1½	Nov. 1949	100¼	100¾
1½	Nov. 1948	99¾	100¼
Dom. of Canada Bonds:			
2½	Nov. 1951	100¼	101¼
3½	Feb. 1952	103	103¾
3	Oct. 1952	101¼	102¼
3	June 1955	101¾	102¼
3	June 1956	101¾	102¾
4½	Nov. 1959	103¾	104¼
2¾	June 1966	102¼	103¼
3	Perpetual	99	99¼
4½	Nov. 1958	100¾	101¾
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959	100¾	101¾
4½	Sept. 1951	*106¾	*107¾
4½	Feb. 1956	*112	*113
4½	July 1957	*113¾	*114¾
4¾	June 1955	*112¼	*113¼
5	Oct. 1969	*108	*109¼
5	Feb. 1954	113	114¼
5	Feb. 1970	*108¼	*110
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	*112¾	*114¼

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*100	*102
4	Jan. 1962	*110½	*113
Montreal Harbour Com.:			
5	Nov. 1969	*108¼	*109¼
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/64	100¼	102
3½	June 1959	104	106¼
3¼	June 1950/72	101¼	102¾
3½	June 1950/71	100¼	102
British Columbia:			
2½	Jan. 1967	94	96
3	Dec. 1960	98¼	100
4½	Jan. 1966	124	126
4	Dec. 1957	114	116
5	Apr. 1954	119½	121½
5	Sept. 1953	108¼	110
Manitoba:			
4	Dec. 1957	114	116½
4½	Dec. 1956	118	120
5	Dec. 1959	125	127
2½	Aug. 1962/64	93¾	95¼
5½	July 1958	117½	120
New Brunswick:			
4½	Apr. 1961	117	119
5	Jan. 1960	119	121½
2¾	June 1966	91¼	92¾
3½	Mar. 1958	99¾	101
Nova Scotia:			
3½	June 1956	101¾	103¼
4½	Nov. 1960	122	124
5	Mar. 1960	126	128¼
3	June 1956/58	100	101¼
2¾	Sept. 1966	93¼	94¾
3½	May 1960/62	100¾	102

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69	95	96½
3	Apr. 1962/65	99¼	100¼
3½	May 1952/55	103¼	103¾
4	June 1963	120¼	122
4½	June 1950	104¼	105¼
4½	Jan. 1962	120	122¼
5	Oct. 1948	100¼	101¼
5	Dec. 1960	130¼	132¼
2¾	July 1967/78	93¾	96¼
Ont. Hydro Commission:			
4	Aug. 1957	117	119
2¾	June 1961/71	94	95¼
2¾	Oct. 1965/68	95	96¼
Prince Edward Island:			
4	Mar. 1951/54	101¼	103¾
Quebec:			
3¼	Mar. 1954/59	103¼	103¾
3¾	Feb. 1952/55	104	105¾
4½	Aug. 1958	109	111
4½	Jan. 1962	114	116
3	Feb. 1960/62	100	101¼
4	Nov. 1950/52	103¼	105
Quebec Hydro Com.:			
3	Feb. 1969/73	98¼	99¼
Saskatchewan:			
4	Nov. 1955/60	99¾	101¼
5	Aug. 1958	106¾	108¾
4½	Mar. 1960	107¼	109¼
5	Dec. 1959	110¼	112¼
5½	Oct. 1952	104¾	107¾
6	Mar. 1952	106¾	108¼
3	Mar. 1963	91¾	92¾
3½	Nov. 1960/62	92¾	95¼
3½	Feb. 1960/62	98	99¼

*New York funds.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 8	Milling 4	Oils 4	Textiles and clothing 9	Food and allied prod. 13	Beverages 5	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 16	Total co's. 100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1

Dividends Declared

Dividends Declared (cont'd)

Market Comment

What stocks and bonds are doing and what prominent observers say.

All stock groups on Canadian exchanges drifted narrowly lower this week. The long holiday weekend in the U. S. took some steam out of the current market activity.

The generally optimistic market psychology that has become increasingly prevalent for several weeks was given further impetus over the past week by settlements in wage disputes in the automobile industry. In the case of General Motors the contract was for two years and had a unique tie-in with the cost of living index. Chrysler Corp. agreed to give its men a straight 13c an hour wage increase. General Motors Chairman Sloan stated that maximum output is assured now for the next two years.

It appears now that industrial wages generally will move upward again this year adding to operating costs and resulting in higher prices in a good many lines. While this is expected to maintain inflationary pressures current statistics on industry profit margins seem to dispute a widespread belief that the margin of profit for business generally is shrinking.

In Canada, still rising record public deposits in chartered banks and generally continued high levels of operations in most industries would seem to suggest a continuing upward pressure on the stocks of those companies enjoying most profitable operations. Even with the sharp market advance of the past two months stock prices generally are still only slightly above the best levels of last year.

* * *

Charles King & Co., Toronto: A noticeable change in the sentiment of financial writers has been seen over the past couple of months — particularly in U. S. publications. When the peak of the market was seen in May, 1946, a continual picture of gloom was painted, based on the alleged coming depression. Despite the record of earnings and increased dividends of hundreds of industrial companies in U. S. and Canada, the ratio of selling price against earnings was at an all-time low.

There has been a definite change from these views, as evidenced by the recent resistance levels in the Dow-Jones averages being penetrated in volume. With the large reserves of capital available for investment, and the excellent outlook for Canadian business in general, we think that this money will eventually find its way into security markets, and, therefore, we look for a good market for some time to come.

Base metal, farm implement and paper companies would seem to be in preferred position.

* * *

Gilles Forget, Forget & Forget, (Montreal) — After moving up and down within a very narrow range for many months stocks have finally broken through the resistance levels.

This past period of hesitation was provoked by the tenseness of the international situation and the fear of a period of depression.

Adoption of the Marshall Plan has, however, more than partly checked this menace and it is anticipated that the wheels of industry will turn at a fairly good pace for the next 18 months.

Confidence and optimism have returned and these will give birth to the expansion of existing enterprises and the creation of new ones.

Furthermore the adoption of the Marshall Plan is a major setback to Communistic propaganda. The new, strong attitude of the western allies and especially that of United States has set Russia to thinking.

As a result of these factors no serious setback is anticipated and without being over-optimistic, higher stock prices may be reached.

* * *

Goodwin Harris & Co., Toronto: We believe the trend of the present market is definitely upward, with certain periods of digestion required, when the averages or individual stocks reach a point or points at which highs were previously set and a certain amount of resistance is encountered. The length of the total advance will depend entirely on general business conditions and the extent of constructive sentiment which is now so apparent. Observers in New York are now of the opinion that the market at the present time looks more confident than in the earlier stages of the current advance. It would also seem that present conditions offer much more justification for a further advance of major proportions than was present when the market made its high of 212.50 in May, 1946. It is quite possible, however, that the 195.00 point in the Dow-Jones Industrial Averages will offer next level of supply and result, for a time, in the sidewise, consolidating movement referred to previously.

* * *

Barron's: The Trader (New York): Earnings are strong and give every promise of continuing so. Dividends are rising, and, taking the announced General Motors policy at face value, have a long distance yet to go. Yields of government, high-grade and municipal bonds are declining. In the light of all these fundamental stock market forces, a rise that is still less than three months old can only be regarded as an early stage of a sustained major trend.

* * *

Supplementary Bond Quotations

Furnished by Investment Dealers Association

Month-end Closing Prices May 31, 1948

Municipal Bonds

June 1, 1948

	Coup.	Matur.	Bid	Ask.	Yld. %
Calgary ...	3½	'51-61	99	101	3.12
Edmonton .	3¼	'49-59	99	101	2.67
Regina ...	3	'64	92	95	3.39
Moose Jaw	3-3½	'60	97	99	3.27
Winnipeg ..	2¾	'66	93	96	3.03
Ottawa ...	3	'54	101	103	2.48
Toronto ...	2¾	'72	92	95	3.05
Hamilton ..	3	'53	101½	103½	2.25
Windsor ...	2½	'75	72½	75½	3.95
Quebec ...	2¾	'66	90	93	3.26
Halifax ...	3	'66	95	97	3.22
Saint John.	3½	'65	100	103	3.27
Windsor ...	3¾	'75	76	79	4.00
Windsor ...	3½	'75	89	92	3.96
Montreal ..	3	'70	93	96	3.25

Commodities

	Latest week	Previous week	Same week last yr
Cattle	$17.90	$17.74	$15.16
Hogs	28.72	28.72	21.60
Copper, lb.	.21½	.21½	.21½
Sugar, raw, lb.	.0475	.0465	.06185
Coffee, lb.	.26½	.26½	.23¾
Hides	.29	.29½	.35
Weekly Indices			
U. S. Labor	163.5	163.5	146.9
Dow Jones	147.97	145.17	137.46
Fishers	172.1	171.2	159.7
Monthly Indices			
Retail (Apr.)	151.6	150.8	130.6
W'sale (Apr.)	148.5	146.9	123.3
U. S. (Feb.)	160.7	165.6	144.6
Gt. Brit. (Mar.)	217.2	216.7	183.6

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
‡Lake St. John Pr. 1st mtg. ser. A	5½%	1961	Jul. 1	102
‡Moirs 1st mtge.	6%	1953	Jul. 1	100
§Sao Paulo Elec. 1st mtge. s. f.	5%	1962	Jul. 1	par

‡All outstanding.
§$266,700.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 1, 1948

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Simpsons Ltd. .	3½	'60	101	104	101
Steel Co. of Can.	2¾	'67	94	97	94
Toronto Elevat.	3½	'66	98	...	97½
United Corp. ..	4	'58	99½	...	99½
United Steel ..	4	'60	98½	102	98½
Untd. Grain Gr.	4	'63	100	...	99
†Western Grain.	5	'63	75½	79½	75½
York Kt. Mills.	3½	'71	91	95	89

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
°Payable in U. S.
§Payable in Canada only.
▲Payable in Canada or U. K.

Company Meetings

1948	Company	Place
June 16	Anglo-Nfld.	Grand Falls, Nfld.
June 21	Com. Alcohols	Montreal
June 24	Dom. Stores	Toronto
June 24	Sylvanite Gold	Kirkland Lake

BUSINESS THIS WEEK

	MAY	APR.	MAR.	FEB.	Year Ago
MERCHANDISING					
Dept. store sales index no. (1)	....	....	....	195.1	180.3
Retail sales index (no.)	....	....	244.2	198.5	222.3
Wholesale sales index (no.)	....	....	263.6	240.0	256.7
FINANCE					
Dividend payment index (5)	196.9	195	194.5	193.4	161.1
Bank debits	....	....	....	227.5	229.4
Money supply (millions $)	....	....	....	746.6	7.555
NEWSPRINT CAPACITY					
Production ratio	....	102.3	99.1	99.1	101.0
Shipment ratio	....	101.1	97.3	95.5	102.3
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	214.9	221.7	186.3	218.5
Cars (D.B.S.)	....	170.1	160.9	159.6	156.5
COST OF LIVING					
D.B.S.	....	151.6	150.8	150.1	130.6
EMPLOYMENT INDEX					
All industries	....	....	189.0	189.2	180.4
Manufacturing	....	....	202.5	200.7	194.5
Payrolls (June 1/41=100) (2)	....	....	188.8	185.4	163.2

	1948	1947	1948 Jan. 1 to date	1947 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
■Carloadings (week May 22)	76.7	71.1	1,534.4	1,472.7	+4.2
C.N.R. gross rev. (April)	40,941	36,019	147,611	136,295	+8.3
C.N.R. net rev. (April)	4,165	3,777	5,710	9,255	—38.3
■C.P.R. gross rev. (April)	27,520	26,247	105,079	97,595	+7.7
■C.P.R. net rev. (April)	1,323	1,735	2,656	3,010	—11.7
IRON AND STEEL (000's omitted) (Mar.)					
Pig iron production (tons)	172.7	164.4	483.8	492.3	—1.7
Steel production (tons)	286.0	269.7	782.4	748.7	+4.1
CONSTRUCTION (000's omitted)					
Contracts awarded (Mar.)	51,350	38,353	128,500	136,516	—5.9
Cement prod., bbls. (Mar.)	1,105	883	3,117	2,462	+26.6
AGRICULTURE (000's omitted)					
■Flour prod., bbls. (Apr.)	1,955	2,399	7,515	9,307	—19.3
Flour exp., bbls. (Apr.)	918	1,114	3,778	5,081	—25.7
Wheat exp., bush. (Apr.)	5,833	7,137	34,727	37,419	—7.1
Cattle sales (April) (4)	102.4	104.5	486.3	411.0	+10.8
Hog sales (April) (4)	402.4	396.6	2,029.1	1,446.9	+40.3
SEA FISHERIES (000,000 omitted)					
■Catch, lb. (April)	35.9	27.1	275.9	170.5	+61.5
■Landed value $ (April)	2.4	1.7	8.0	5.3	+50.9
NEWSPRINT (000's omitted)					
Production (April)	386	369	1,490	1,453	+2.5
Exports, tons (April)	381	376	1,441	1,414	+1.9
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Apr.)	1,580	851	5,752	4,665	+23.3
Gold prod. (fine oz.) (Feb.)	262	223	536	457	+17.3
■Petroleum prod. (brl.) (Mar.)	816	602	2,374	1,734	+36.8
ELECTRICAL POWER OUTPUT (000,000's omitted) (Mar.)					
Total monthly kw.h.	3,764	3,957	11,017	11,397	—3.3
FOREIGN TRADE (millions of $)					

(4) Total at yards and plants.

Allard River Report Released by Quebec

A geological report on the Allard River area, northern Abitibi, has been prepared by Geologist Dr. Rene Beland of the Quebec Department of Mines and copies are available at the Parliament Buildings, Quebec City.

Most of the area, of 275 sq. miles, is underlain by Keewatin rocks of volcanic origin, in which, however, there are some narrow bands of sedimentary rocks. Intrusive into this series are some granitic rocks, dykes of diabase, and—in the northeastern corner—a part of the Bell River complex of anorthosite and gabbro, which extends for several miles to the east. The Allard River area is located about 100 miles north of Senneterre.

New Highs and Lows

During the week ended May 29, 48 new highs were recorded among the "general" stock exchanges, and 14 new lows. In the mining group there were 14 new highs and 24 new lows; 14 new highs and two new lows among the western oils.

GENERAL

New Highs—1948

Abitibi $1.50 pfd.
Acadia Atlantic A
Aluminum new
Bathurst Pwr. B
Br. Amer. Oil pfd.
B. C. Pulp & Paper
Do. pfd.
Brown & Co. pfd.
Building Products
Burns Co. B
Burrard D. D. A
Butterfly Hose.
Caldwell Linen
Can. & Dom. Sugar
Can. Vinegars
Candn. Can. 1st pfd.
Candn. Conv. A
Candn. Fairb'ks-M.
Candn. Int. Inv. Tr.
Candn. W. Lumber
Comm. Alcohol pfd.
Cons. Text. Mills
Dom. Steel & Coal
Dom. Woollens
Donnell & Mudge
Fleury Bissell pfd.
Gt. West Saddlery
Gypsum Lime
Hinde & Dauch
Ind. Accept. 5% pfd.
Intercolonial Coal
Int. Metal Ind.
Int. Milling pfd.
Int. Paper
Int. Utilities
Lowneys
MacMillan Ex. A
Massey-Harris
Mercury Mills
Mt. Royal Rice
Nuclear Enterprises
Shea's Brew.
Stand. Paving
Steel of Can. pfd.
Tamblyn
Twin City
United Fuel B
Un. Grain Grow. A

New Lows—1948

Biltmore Hats A
Blue Top Brew. B
Brand & Millen A
Can. Bread pfd.
Chatco Steel pfd.
Int. Paints pfd.
Maritime Tel. pfd.
Reitman's pfd.
Sterling Coal
Stowell A pfd.
Tip Top Can. A
Toronto Mtge.
Western Grocers pf.
Woods Mfg.

MINING

New Highs—1948

Aubelle
Bob's Lake
Castle Tre.
Coniaurum
Eldona
Guayana
Gulf Lead
Hudson Bay
Man. & East.
Mining Corp.
N. Calumet
Nipissing
Normetal
Quemont

New Lows—1948

Belleterre
Boycon P.
Buffalo R. L.
Calder B.
Candego
Chimo G.
Hallnor
Jason
Lake Rowan
La Luz
Lamaque
Lencourt
Maralgo
McKenzie R. L.
Mylamaque
Nechi Cons.
Parbec
Paymaster
Richmac
Ryanor
Silanco
Vinray
H. G. Young
Yukon Cons.

OILS

New Highs—1948

Anglo-Can.
Cons. H'stead
Gaspe
Leduc West
Marvel
Oil Select.
Pac. Pete.
S. West Pete.
Texas Can.
Vulcan

New Lows—1948

Teck Profits Up This Year

Estimated net profit of Teck-Hughes Gold Mines of $207,412, or 4.31 cents a share in four months ended April 30, 1948, was up from $99,668, or 2.07 cents a share, in similar period last year. Jump in profits was occasioned by higher dividend return from Lamaque Gold Mines.

Bullion production totaled $341,854, dividend income from Lamaque $192,992 and income from general investments $3,930 in 1948 period ($359,974, $60,132 and $5,103 in comparable four-month period).

Rehabilitation of the mine has been necessary to permit profitable mining of ore from deep levels, along with further exploration and development at intermediate depths, President D. L. H. Forbes stated at annual meeting. Considerable deterioration of timbering and blockage occurred during curtailment period from 1941 when these sections of the mine were idle. It is probable that restoration work will be sufficiently advanced by end of this year to enable mining to be resumed at depths from 4,800 to 5,800 ft.

Lamaque's Profit Up Substantially

Substantially higher net profits were estimated by Lamaque Gold Mines in first four months this year. Profits totaled $204,204, or 6.8 cents per share, against $88,232, or 2.9 cents per share in similar period of 1947.

Bullion production was $744,728 from 97,410 tons of ore treated ($494,724 from 55,165 tons).

Plans were made several years ago for low-cost mining of large low-grade ore bodies, and fruition of these plans resulted in an appreciable lowering of per-ton operating cost in 1947 at half capacity, President D. L. H. Forbes stated at annual meeting. It is confidently expected that further improvement in per-ton operating cost will be made during 1948. Already a daily tonnage of 900 has been reached and, if improvement in labor situation continues, full capacity operation may be realized by end of year.

Positive ore reserves were estimated at 2,436,000 tons at end of 1947. If partly developed ore were added to proved tonnages of broken and fully developed ore, there would be a total of about five million tons. It has been estimated that about two thirds of Lamaque's proved and probable ore occurs under conditions where low-cost mining methods can be applied.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

NATIONAL PETROLEUM CORP. net profits increased $10,366 to $15,774 in 1947 as result of greater production from wells and improved prices for crude.

No. 1 well in Turner Valley is now producing at rate of 50,000 bbls. a year, an increase of some 50% over 1946, which in turn was 70% greater than in 1944. Net sales from this well are running at rate of $160,000 annually.

National Pete entered the Leduc field by acquiring royalty purchases from landowners under Imperial Oil leases. Additional Holdings acquired have brought royalty interests in more than 1,000 acres. Company has already had returns from these royalties.

The Del Bonita project is standing drilled 5 ft. in the Madison limestone, in which horizon it is expected to find production in the next 30 ft., directors state. Additional leases covering 640 acres have been acquired and drilling operation is expected to be resumed soon.

INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net oper. income	[illegible]	[illegible]
Add: Other rev.	18,197	15,953
Total net rev.	111,368	[illegible]
Less: Oper. exps.	40,860	[illegible]
Depreciation	13,168	22,537
Depletion	32,889	20,941
Devel. w/o	......	3,697
Income taxes	6,537	802
Net profit	15,774	5,408
Less: Divds.	......	17,567
Surplus for year	15,774	*12,159
*Deficit.		
Earned per Share	$0.0048	$0.0031
Paid	nil	0.01

CONDENSED BALANCE SHEET

As at Nov. 30:	1947	1946
Cash	$158,657	[illegible]
Invest.	[illegible]	36,170
Accts., etc., rec.	25,204	17,421
Oil invent.	3,182	3,420
Total curr. assets	285,547	[illegible]
Deposits, etc.	92	89
Organiz. exp.	1,250	1,250
Com. on stk. sale	50,000	50,000
Investments	64,245	33,081
Develop. accts.	140,760	90,326
Leases†	100,388	15,461
Plant & equip.†	33,876	47,475
Deficit acct.	102,990	112,810
Total assets	779,486	[illegible]
Accts., etc., pay.	36,267	11,356
Sundry	3,393	2,745
Total curr. liab.	40,360	14,101
Capital stock	739,168	439,168
†After depr. of	185,181	171,089
‡After depl. of	180,574	149,317
Working capital	245,287	[illegible]

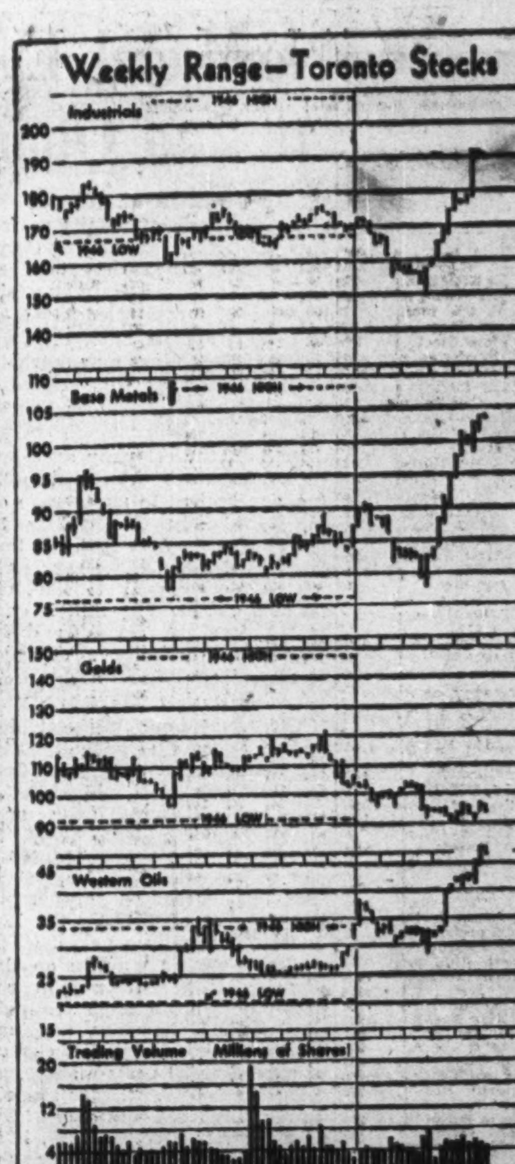
Issue Geology Report Beauchastel Township

Geological report No. 30, covering northwest quarter of Beauchastel twp., Rouyn-Noranda county, Que., has been released by Hon. Jonathan Robinson, Minister of Mines. Copies of the report are available at the department, Parliament Bldgs., Quebec City.

The area, which is near western end of the mining belt of Western Quebec, offers possibilities for discovery of gold or base metals, the report states. Gold has been found on two properties in the area and not far to the south are the Aldermac, Arntfield and Francoeur properties.

BONVILLE GOLD MINES expenditures were confined to property maintenance and head office charges in year ended Mar. 31, 1948, when property remained inactive. Cash in bank was $16,880 and liabilities $100 at year end.

BRITISH DOMINION OIL & DEVELOPMENT CORP. has received payment for May 18 installment of 100,000 shares at 20 cents a share. Issued capital is four million shares.



Quebec Issues Report On Gatineau Geology

Results of the two-year survey conducted by Geologist Dr. E. Aubert de La Rue are contained in Quebec Dept. of Mines report just released on Labelle and Gatineau counties. Copies of the report and two-colored geological maps are available in Parliament Bldgs., Quebec City.

Centring around town of Mont Laurier, the region described lies in one of the less rugged sections of the Laurentian highlands. Its rocks are all of early Pre-Cambrian age, consisting of metamorphosed sedimentary rocks of Grenville formations, intruded by large and small masses of granite and other rocks of igneous origin.

Among economic minerals discussed at length in the report are the metallics—copper, iron, ochre, molybdenum, nickel and gold; non-metallics—asbestos, apatite, clay, beryl, limestone, marble, feldspar, fluorite, graphite, garnet, mica, quartz, etc.

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WALTER ARCHER

THE ROYAL TRUST COMPANY announces the appointment of Walter Archer as Assistant Manager of its Toronto Branch, of which R. L. Crombie is Manager. Mr. Archer joined the Company at Montreal in 1924, and in 1941 was transferred to Halifax as Manager of that Branch, from which post he comes to Toronto to fill the important position of Assistant Manager in the larger centre. Holding the rank of Captain in the first World War, Mr. Archer was awarded the Military Cross for distinguished service. *

Normetal Earnings May Be Record in '48 As 2nd Quarter Finds Mill at Capacity

By GORDON M. GRANT

On the basis of results so far this year, Normetal Mining Corp. may exceed its 1947 earnings record of 28.6 cents a share by a fair margin. If metal prices hold — and they appear stronger than ever—1949 earnings may reach 40 cents a share as Quebec-Hydro power is scheduled to be turned on Nov. 1, 1948.

In 1947, the company achieved record earnings even with mill tonnage limited to an average of 573 tons daily due chiefly to power shortage. In April of this year, more adequate power permitted the company to start up its zinc circuit. The mill is currently treating 775 tons daily which is practically a capacity tonnage.

Last Half Situation

The immediate prospect for power appears satisfactory and the management anticipates that the third quarter should prove an excellent one as well as the second. If Quebec-Hydro power is turned on Nov. 1 as scheduled—and this seems likely—the final 1948 quarter should surpass the last quarter of 1947 as the last quarter is usually a period when available power may be on the low side. Even if the new hydro-power does not become available until Jan. 1, however, earnings for 1948 stand a very good chance of exceeding 30 cents a share.

During 1947, hydro-electric power purchased was only 24.7% of all power used. In 1949, it is expected there will be a very substantial saving in power costs with hydro-power for 100% of all power requirements. Cost of hydro-power should be just about half that of the Diesel power on which the company has had to rely to date. The new power source will not only reduce operating costs considerably, but will result in improving metallurgical recoveries.

Chances of 40 cents a share being realized in 1949 appear very good. The present U. S. price for copper is 21.5 cents a pound while zinc is 13 cents a pound; these prices compare with average prices of 19.07 cents for copper and 10.5 cents for zinc (in the U. S.) last year. Copper recently has been in such demand that the official price of 21.5 cents a lb. in the U. S. has been exceeded with "bonus" sales reported as high as 22.40 cents a lb. Trade source reports that a further increase in the price of zinc is anticipated. Thus the current picture suggests that a strong nonferrous market is a good prospect for quite some time to come.

Eight Years' Ore

With over eight years' ore in reserve of a better grade than was treated last year, Normetal has no worries about ore to feed the mill. When the new hydro-power line is energized, the company will be able to pursue its contemplated program of sinking an internal winze to permit the opening up of the mine at greater depths.

At the annual meeting in April it was stated that dividends would likely be paid on a quarterly basis. A dividend of 5 cents a share was paid on March 31 and a further dividend of similar amount has been declared payable June 30 to shareholders of second June 5. As the company had working capital of $3,304,584 at the end of 1947, it would appear reasonable to expect that dividends will be continued on the basis of at least 20 cents per annum. Of course, a stepping up of earnings in 1949 would likely result in a review of the dividend policy as it is the announced intention of the management to pay out most of earnings in dividends. Quarterly distributions are of an "interim" character.

Quebec Issues Map On Canimiti River

The Quebec Department of Mines has published a preliminary geological report on the Canimiti River area, Pontiac county, on results of investigation made by Geologist N. B. Gillies in 1947. Copies of the report and geological map are available at the department.

The report describes an area of 200 sq. miles, lying about 45 miles south of Senneterre and Val d'Or. All rocks are of Pre-Cambrian age and the bulk of sedimentary origin. Some of the rocks, in northwest corner, may represent southernmost extension of Keewatin-Timiskaming formations which are prevalent in the Abitibi mining region to the north. Many quartz and pegmatite veins were observed during the investigation, but as yet, no appreciable values of gold have been found in them. Traces of nickel and silver in some samples taken near Canimiti River indicate that prospecting of part of the area by geophysical methods merits consideration, the report states.

Cochenour Results Better In May, 1948, Quarter

While Cochenour-Willans did little more than break even in the first nine months of its fiscal year, a marked improvement has been experienced in the final quarter with an operating profit perhaps exceeding $90,000 realized in the three months.

In the initial nine months ending Feb. 28 there was a reduction in treatment of concentrates; recovery should have been about $25,000 greater in the three months ended Feb. 28 than was actually the case.

With labor short in the first half of the fiscal year (ended May 31, 1948), production was hardly impressive for a mine which is noted for its high grade ore resources:

	Tons milled	Tons daily	Recov. per ton	Total recov.
1st qtr.	15,658	170	10.99	171,521
2nd qtr.	13,847	155	11.78	162,549
3rd qtr.	17,616	195	9.00	158,109

Operating costs jumped from $10.48 in the first quarter to $12.00 in the second quarter when production hit its low on a tons daily basis. Costs then dropped to $8.76 in the third quarter. In the first quarter there was an operating profit of $8,040. An operating loss of $3,168 was experienced in the second quarter but third quarter operations showed a $4,003 profit.

Added Labor Helps

Improved results in the final quarter are a product of an improved labor situation and of a great improvement in roaster treatment of concentrates. A total of close to 20,000 tons of ore was treated in the last quarter for an average of 220 tons daily. An average of 15 tons of concentrates daily has been handled in the Fluo-Solid roaster since March; this is sufficient for a milling rate of 300 tons daily on the basis of a 20 to one ratio of concentration.

Over-all recovery is now above 90%. The company has quite a large tonnage of stored concentrates to be treated.

Operations Balanced Again

Now that the mine has ample labor again—in sharp contrast to the acute labor shortage in the initial six months — production has been balanced with sustained development. In the first half, development was continued and a large part of ore treated was thus lower grade development rock.

The company has now 138 men on its payroll against a total of only 108 in mid-1947. With an ample labor supply, indications are that further improvement in results obtained in the fourth quarter are now quite possible. Mining shifts in April totalled 342 against a low of 206 last June.

The past year is the first in which ore had been mined below the fourth level. A total of 5,370 tons of ore was drawn from the fifth level at 575 ft. averaging 0.49 oz. gold per ton while 9,693 tons were drawn from the sixth level at 675 ft.

Considerable preparation has been accomplished in recent years to make the lower levels available for mining. A main haulageway has been driven on the 4th level from No. 1 to No. 2 shaft, a distance of 2,000 ft. with an electric trolley locomotive to be used. Initial exploration at the No. 2 shaft is to be carried out at the second level. Previous work and drilling exploration have indicated favorable geology and ore structures.

Important ore indications have been secured by drilling exploration of No. 327 ore body which lies 1,400 ft. northeast of No. 1 shaft. One drill hole put down from third level returned a true width of 37.1 ft. averaging 0.40 oz. gold per ton while a second hole returned a true width of 36.4 ft. averaging 0.81 oz. These holes were spaced 40 ft. apart.

Imperial, Anglo & Tower Pete. Share Big Exploration Program

An exploration program on 300,000 acres of reservations, freehold leases, and lands secured from the C.P.R. is being undertaken jointly by Imperial Oil, Anglo-Canadian and Tower Petroleums with each sharing a third of costs and each holding checkerboarded rights to a third of the acreage involved.

According to officials of Tower Petroleums, it is hoped to have a first well under way early in July as the joint agreement calls for selection of an initial well location by June 30. Approximately $60,000 is stated to have been spent so far on the present program.

Near Viking-Kinsella

The acreage is located to the southwest of the Viking-Kinsella gas field in an area which can be fairly cheaply drilled as the Devonian is anticipated at a depth of about 3,000 ft. Some encouragement that an oil-bearing structure may be located is stated to have been provided by Imperial-Viking No. 3 well which is stated to have returned noncommercial oil saturation.

Seismic work carried out by the team of three is stated to have indicated at least two good highs for drilling and three lesser highs. Further detail checking on these is being done preparatory to selection of a well location.

Authorized capital of Tower Petroleums is 3.5 million shares of which 2,232,005 shares have been issued. A total of a million shares were issued for properties and shares have been sold for cash as follows: 500,000 shares at 15 cents a share; 500,000 shares at 25 cents a share; and 200,000 shares at 50 cents a share. Approximately $300,000 cash is reported on hand. A total of 32,000 shares were issued at a valuation of 25 cents a share as part of payment for seismic work completed.

President is J. A. McFadyen, general manager of Transcontinental Resources. Vice-president is Max Bell of the Calgary Albertan. Other directors are Watkins Samuel, Wilder H. Ripley of Calgary, and Gordon D. Fairley. Secretary-treasurer is John T. Bowles.

Open New Ore Body At Central Patricia

Central Patricia Gold Mines has opened up a new ore structure on the 3,100-ft. level which carried a grade of 0.25 oz. to 0.31 oz. per ton across 4.4 ft. for a length of 72 ft. The ore occurs in a zone to the west of the main ore bodies and is not related, geologically, to any occurrences on the upper levels. The new zone was encountered in crosscutting from the main winze which was deepened in 1947 from the 2,950-ft. level.

Development on the 2,800-ft. and 2,950-ft. levels has been advanced, on the "A" and "B" ore bodies. Stope development on the "F" ore body above the 13th level and up to the 10th has disclosed important tonnage of ore grading well above mine average.

Rate of production in the second quarter has been maintained at 400 tons daily.

SALMITA NORTHWEST MINES authorized capital has been increased from three million to four million shares. Proceeds from sale of additional new shares will be used in company's shaft sinking program.

Final Distribution To Premier Holders

Liquidation of Premier Gold Mining Co. has been completed and final distribution of 4.3 cents a share, plus shares of Big Bell Mines and Saudi Arabian Mining Synd., was made to shareholders this week by Toronto General Trust Corp., Vancouver.

Distribution was on basis of seven shares of Saudi Arabian and three shares of Big Bell for each 100 shares of Premier held. The liquidator disbursed a total of 24.3 cents per share to shareholders, plus share distribution.

DULAMA GOLD MINES has completed installation of power line, transmission system, headframe, compressor and hoist, and plans to start shaft sinking this week, Consulting engineer Lionel R. Simard states. Shaft is to be carried from existing depth of 26 ft. to objective of 425 ft. Excavation work at cookery-bunkhouse site is reported to have uncovered a new vein 7 ft. wide. The showing lies parallel to and approximately 300 ft. south of main vein occurrence. Preliminary surface work is getting under way on the new showing.

Giant's "Heads" Run 0.7 oz. Gold

In mill tune-up operations at Giant Yellowknife Gold Mines, a total of 1,631 tons were treated during the first eight days, commencing May 13. Mill heads averaged 0.70 oz. gold per ton, and flotation tails averaged 0.05 oz. per ton, indicating a flotation extraction of 93%.

About 100 tons of concentrates averaging 5.9 oz., were stockpiled, and 139 oz. were recovered by amalgamation. A further 400 or 500 oz. were tied up in the mill circuit, it is estimated.

Cuyuni Shaft Starts Soon

Sinking of the new three-compartment shaft on the Aleck Hill lode to depth of 543 ft. below No. 2 level, is expected to get under way this month at Cuyuni Goldfields, Managing Director Wm. Fairley states. Shaft completion will permit lateral development of four new levels.

Crosscut from winze sunk from No. 2 level to No. 3 level horizon has intersected an ore body carrying values up to an ounce, Mr. Fairley adds. Ore section is approximately 250 ft. south of most southerly workings on No. 3 level, and will be connected with No. 3 workings by extending south drift from No. 3 level. In north drift on third level, crosscutting into the footwall has intersected an ore body 23 ft. wide assaying 0.48 oz. gold per ton. Drifting is under way.

Cuyuni expects to crosscut to the west on Nos. 2 and 3 levels to encounter parallel ore body 26 ft. wide, encountered in the sulphide zone by horizontal diamond drilling from No. 4 level. Drifting on No. 4 level in the sulphide zone is being carried forward both north and south with a full face of ore in each end of the drift.

Sinking operations will be conducted under direction of Consulting Engineer W. R. Lindsay and Engineer Frank Buckle.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

McINTYRE PORCUPINE MINES realized a net profit of $3.04 a share in the year ended Mar. 31, 1948, before writing off $185,164 of current shaft sinking costs (equal to 23 cents a share). Profit the previous year was $2.76 a share before shaft sinking expense, $2.61 after it.

Working capital showed a rise of over $500,000 to $27,956,217 during the year, including securities at market value, but excluding 1,200,000 shares held in Belleterre Quebec Mines.

Ore reserves showed a reduction of approximately 260,000 tons to 3,778,663 tons of $11.06 grade at March 31, 1948, but were equal to approximately six years' requirements on the basis of 624,000 tons of ore milled last year. Reduction in ore reserves reflects elimination from ore reserves of blocks grading below current operating costs.

During the year, No. 12 shaft was sunk a further 812 ft. and was bottomed at 7,006 ft. below surface. It now provides 10 levels below 5,375 ft. To decrease unit costs, mill tonnage must be increased so that general and fixed charges may be distributed over a wider base, Vice-president and General Manager R. J. Ennis declares.

Gold and silver on hand showed an increase from $5,887,437 to $6,482,126.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Gross production	$6,588,156	$6,172,329
Less: Oper. exps.	4,683,540	4,323,540
Curr. shaft sink.§ ..	185,164	113,693
Royalty expense ..	102,843	90,964
Oper. earnings	1,616,609	1,644,132
Add: Misc. income ..	1,128,701	1,068,954
Net earnings	2,745,310	2,713,086
Less: Deprec.	102,087	99,446
Income tax	404,222	527,486
Net profit§	2,239,001	2,086,154
Less: Dividends	2,405,970	2,489,760
Deficit for year	166,969	403,606
§Curr. shaft sink. w/o through surplus in co's. report.		
Earned per Share	$2.81	$2.61
Paid	2.01+1.00½	2.11½1.00½

CONDENSED BALANCE SHEET

As at March 31:	1948	1947
Cash & bullion	$6,672,692	$6,128,882
Govt. bds. & secs.* ..	15,256,954	16,146,346
Accts., int. rec.	61,597	63,044
Supplies at cost	695,158	670,531
Belleterre acct.	324	236
Total curr. assets ..	22,686,725	23,009,039
Investments	1	1
Deferred charges	249,312	132,131
Mining props.	1	1
Plant & equip.†	203,391	220,896
Total assets	23,139,430	23,362,068
Accts. & tax. pay. ...	901,188	917,219
Other liabilities	393,585	443,991
Total curr. liab. ...	1,294,778	1,361,210
Capital stock	3,990,000	3,990,000
Earned surplus	15,888,599	16,065,871
Capital surplus	1,966,058	1,944,987
*Market value	21,821,219	21,919,853
†After deprec. of ..	6,024,159	5,924,795
Working capital§	21,391,952	21,647,829

§Taking securities at book value; including securities at market value, working capital was $27,956,217 in 1948, $27,421,336 in 1947.

OPERATING STATISTICS

	1948	1947
Tons milled	624,000	616,400
Average recov.	$10.56	$10.01
Ore reserves, tons ...	3,778,663	4,036,183
Grade ($35 gold) ..	$11.06	$11.04

ROCHETTE GOLD MINES has received delivery of Diesel power unit, electric water pumps and other equipment, preparatory to dewatering No. 2 shaft. Earlier underground work is reported to have indicated a vein 2 to 3 ft. wide grading around 40% zinc, 12% lead and 5 oz. silver per ton. Nos. 4 and 5 shafts are to be dewatered later. Property is leased from James Richardson & Sons on a 10% royalty basis.

DPs For Mines Satisfactory

Canadian Metal Mining Assn. Reports Only 25 of 1,400 "Unfit"

Of 1,400 DPs who have arrived in Canada for employment in Canadian mines, only 25 have proved unfit for mining employment for medical or other reasons, Executive Director V. C. Wansbrough declared at the Canadian Metal Mining Association annual meeting.

This is regarded as a low percentage of rejections considering the handicaps under which the Canadian Metal Mining Association selection team had to operate.

A further 850 immigrants have yet to come and these are expected to arrive at a rate of 200 to 250 a month, so that the operation will not be completed before September. Attention is now being given to speeding up plans for transportation of wives and families of the married men, who form a small proportion of the total number.

Secure Tariff Reduction

A saving of approximately $500,000 a year is believed to have been secured by tariff changes brought down in the budget of May 18. Directors of the Canadian Metal Mining Association had retained Peck, Foster and Associates to make a survey of the tariff situation and changes proposed were accepted in whole or in part for every item except one in the budget just brought down.

Many years had elapsed since the mining schedule of the Canadian tariff had been revised, as it affects imported mining machinery and equipment. During these years, the mining preference had been whittled down so that the intended margin of preferential benefit had almost vanished, it was stated. Instances were found where identical items of machinery carried a higher rate of duty if imported for use in a mine than if imported for general industry.

On announcement of a new draft income tax bill (Bill 454) it appeared likely that the established method of computing depletion might be affected adversely. After an exchange of views with other organizations, a brief was submitted to the Minister of Finance last March. Confidence is expressed that this question will be satisfactorily dealt with.

Of the gold-aid bill, No. 7, Mr. Wansbrough stated that it is intended to continue to gather data as to the actual effects of the bill on the gold mines and the communities they support, so that information on this may be available when any revision should be proposed.

J. G. McCrea was re-elected president of the Association. First vice-president is J. P. Bickell while M. A. Thomson is second vice-president.

Forest Service Plans Field Investigations

Fourteen parties will be equipped this season by the Dominion Forest Service of the Department of Mines and Resources to carry out field investigations and special projects for research work in forestry and forest products. The studies will be carried out across Canada by 100 students, chiefly undergraduates in forestry, under the supervision of the research staff.

Determination of the extent to which logged and burned-over areas are reproducing naturally will be the object of surveys by five of the field parties in Saskatchewan, Alberta, the Cochrane district of Ontario, the St. Maurice Valley in Quebec, and in New Brunswick. Other studies will involve development of more effective methods of fire control, cheaper methods of removal of timber, and systems to produce the maximum quality and quantity of timber in shortest possible time.

INDEPENDENT MINING CORP. completed some 2,000 ft. of drilling on its Long Lac holdings in 1947, and while scattered values were obtained, nothing of economic importance was developed. Other claims were staked and acquired in same area, but surface disclosures did not stand up under drilling. No work was done on claims in Guibord twp. and it is company intention to allow them to lapse. Company acquired indirect interests in properties staked by other companies in which share participations are held. Current assets were $4,170 and liabilities $545 at Dec. 31. Investments were carried at $75,246.

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OIL PRODUCTION

Oil Companies Pay Cash For Acreage at Woodbend

From Our Own Correspondent

CALGARY—Independent and major oil groups are prepared to pay cash in sizeable chunks for crown oil rights they wouldn't touch when offered on a royalty bonus basis.

That important fact was made clear May 26 when Alberta Government accepted cash bonus bids totaling $162,093 on three quarter section tracts at Woodbend. The same tracts had been offered for lease on May 4 for fixed cash bonuses totaling $90,000 plus a competitive royalty bonus over and above the normal crown percentage. Not a single bid was made on the first offering. Eighteen bids were made when the same rights were offered for the normal crown royalty plus a straight cash bonus.

Pays $506 An Acre

One of the successful bids, that from big Phillips Petroleum Co. of Bartesville, Oklahoma, sets what may be a record high cash bonus for unproven oil rights in Alberta. Phillips paid out $81,592, equivalent to $506.78 per acre, as bonus on a 161-acre tract covering the southeast quarter of Section 12-51-26w4. The tract is 1¼ miles northeast of Leduc's producing area, and is 2½ miles east and south of the Woodbend discovery. It offsets the drilling Continental-Leduc No. 3 well to the southwest.

A. W. Shaw of Vegreville, Alberta, put in the $50,171 successful bid on the 160-acre tract covering southeast quarter of Section 2-51-26w4. This tract offsets to the north the present limits of the Leduc field, marked by Globe-Leduc West Nos. 2, 3, 4 and 8 wells. Structural information from these wells, and the now testing Globe-Leduc West No. 5, indicate the Shaw lease is "unproven."

British American Oil Co. bid in the third tract, 160 acres covering southwest quarter of Section 7-51-26w4. This tract is 2½ miles west of the Woodbend discovery. Bonus paid was $30,330, equal to $189.56 per acre.

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C. C. Cross Backs Hanna

C. C. Cross interests, sponsors of the successful Globe, Leduc-West and East Leduc operations which added very materially to Leduc field oil reserves, have backed an exploratory drilling program for the Hanna area, 100 miles northeast of Calgary.

The new concern, Hanna Petroleums, is slated to drill three wildcat wells to test 16,000 acres of rights checkerboarded over a total of seven townships. Two are slated for drilling to around 4,000 ft. The third may be deep test, to probe the full section of Devonian. First well is slated to start in about two weeks.

The backers report that a 600,000-share issue has been oversubscribed in firm underwritings, to realize the company $112,500 for the exploration program. Hanna Pete is capitalized at 3,000,000 shares no par value. 800,000 shares are being issued for the properties, and will be held in escrow. Clifton C. Cross of Calgary is president; Douglas P. McDonald, K.C., vice-president; A. D. Mathieson, secretary-treasurer; and J. M. Godfrey and E. G. Lawrence, directors.

The Hanna region is now an active exploration area, with Socony - Vacuum, California-Standard, Stanolind, British American and a number of independents investigating holdings in the vicinity.

The Hanna Pete rights checkerboard over Twp. 29 Rges. 12 & 13w4; Twps. 30 and 31, Rge. 13w4; Twp. 31 Rge. 14w4; and Twp. 32 Rges 15 and 16w4.

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Hudson Bay Seeks Oil

The American continent's oldest trading company and a large American oil company which is among petroleum's pioneers have decided to expand joint efforts to find and develop oil and gas resources in Western Canada. The team: the Hudson's Bay Co. established in 1670 and long a potent factor in trans-Canada merchandising and the Continental Oil Co. Through their jointly owned company, the Hudson's Bay Oil & Gas Co., Limited, the team has embarked on a large scale exploration and development program in Alberta. To date several hundred thousand acres of crown rights have been reserved under exploration permit, including extensive rights between Calgary and Red Deer, and other rights in the Cessford, Acadia and Winnifred areas on the Alberta plains.

Previous understanding was that the exploration was Continental's alone, the jointly owned company being used purely as an operating medium. It is now reported that H. B. Company will be a full partner.

Headquarters of H.B. Oil & Gas, long located at Winnipeg, have been transferred to the centre of Canada's oil industry, Calgary. Organization here, first set up last year, is being expanded.

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Atlantic No. 3

About 120,000 bbls. of oil from the Atlantic No. 3 wild well was pumped through the Imperial pipeline system during the first 12 days of the Conservation Board-directed "clean-up" effort. The board took over direction of the wild well on May 14, on which date the entire facilities of the pipeline system were made available to Atlantic No. 3 and normal producing operations in the field were temporarily suspended.

In addition to the oil pumped through the pipeline, several thousand barrels have been rerouted back into the formation through the Atlantic No. 1 well.

As a result, there has been a very substantial reduction in the level of oil in the sumps and craters around the Atlantic No. 3 well. It was guesstimated a fortnight ago that total flow of the well through craters was around 10,000 bbls. daily. That volume has been substantially reduced. Part of the well's flow is being drawn off at the well-head through flow lines, at rates ranging between 60 and 100 bbls. hourly.

Drilling has started at the first of two "relief wells" which will be directionally drilled to tap the D3 zone close to bottom of Atlantic No. 3. These wells, when completed, are expected to take the pressure off Atlantic, and permit the final bringing under control and killing of the wild well.

Water flooding of the D3 zone Leduc through the Imperial No. 48 well started May 28, after delays caused by flood conditions in the North Saskatchewan River. With one pump currently operating, about 600 barrels of water an hour is going into No. 48. When second pump is started, pump rate is expected to go up to 1,500 barrels hourly.

ARTHUR S. TORREY

vice-president of W. C. Pitfield & Co., has been elected a director of Associated Telephone & Telegraph Co.

MINING INVESTMENTS

Competition to Aid Golds? McIntyre Head Believes So

A price for gold "in keeping with the inflated economic structure that has developed as a result of war-expanded indebtedness" is visualized by President Balmer Neilly of McIntyre Porcupine Mines as the ultimate result of postwar adjustments. The time when such a price may develop is considered measurably nearer because "there are signs that the era of all but non-competitive trading is passing."

Mr. Neilly spoke at length on this subject in the McIntyre annual report.

"Active competition for world trade is in the offing, and when the time comes, exchange must play its historic part in the world price structure," declared Mr. Neilly. "New currency relationships must be established upon basic economic principles," he suggests.

According to the reasoning of Mr. Neilly, the present price for gold of $35 is illogical and subsidy-aid for gold mining inadequate.

"With the cost of labor and supplies moving sharply upward, against a gold price established under essentially prewar conditions, it follows that today there is no logical or just relationship between the arbitrarily fixed price of gold and the over-all cost of production," he claims.

"Therefore in the industrial life of this country, we gold producers have been demoted to the position of 'poor relations,' and as such we have been promised what may be described as a dilute and prophylactic type of assistance.

"As nearly as we can calculate from information presently available, this form of government aid will increase the selling price of our product by about $1.60 per ounce. Putting it another way, we may expect to receive approximately $36.60 per ounce produced against the $38.50 per ounce we did receive prior to the official fixing of the Canadian dollar at par with respect to the United States dollar."

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Lead at 18.75 Cents

Canada's ban on lead exports reflects the continuing shortage of this metal.

While the price of lead continues to hold at 17.50 cents a pound in New York, considerable interest has been aroused by reports from London that a considerable tonnage of European lead has been sold at a price of 18.75 cents a pound, c.i.f. New York, excluding the 1 1/16 cents a pound import duty. If the duty is not lifted in the near future, as expected, cost to the N.Y. buyer would be 19.80 cents a pound.

Lead is being quoted in Montreal and Toronto at 16.75 cents a pound in car load lots so that Canadian consumers appear to have the edge on U.S. consumers as far as a cheap supply of this commodity is concerned. The difference between the Canadian and U.S. price, however, will possibly disappear when the U.S. tariff is lifted for a year.

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Nine Point Program

Alan Cockeram, M.P., advanced a nine-point program for the Canadian mining industry as his contribution to the budget debate on May 27. Mr. Cockeram, who is generally regarded as a spokesman for the mining industry, suggested that a full-time mining minister should consider:

1. Processing in Canada of primary mineral products, giving regard to domestic demand.
2. Review our present position on strategical minerals with the Minister of National Defence.
3. Review with the Minister of Labor anticipated demands for employment in Canada considering the indirect effect of employment in mines.
4. Review with the Minister of Immigration, ability of the industry to absorb, in gainful employment, above Canadian demands, labor from abroad.
5. Reconsider assistance to the province to defray costs of improving transportation facilities into mining areas (discontinued last year).
6. Provide for scientific technical and other investigations designed to further development of mining, metallurgical and related industries in Canada.
7. Provide greater governmental research facilities to discover methods for lowering mining costs.
8. Provide for application of scientific knowledge to the location of new ore areas.
9. Take steps to develop an appreciation of the economic importance of the mining industry.

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Mining Corp. Brochure

L. S. Jackson & Co., Montreal, in a current brochure on Mining Corp. of Canada and its affiliates declares that Mining Corp. is "on the threshold of the most prosperous period in its history." Further substantial improvement in earnings is anticipated although profits doubled last year. Normetal's future is stated to have been "never more promising" while it is thought that Torbrit will soon repay the investment made in this enterprise.

Jackson & Co. think that Mining Corporation should be in a position to resume dividends by the fall of 1949. An interim dividend of 50 cents a share is thought possible at that time with greater distributions later.

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HOLDINGS

1. 20% of the net profits (which is equivalent to Alliance owning one well in every five which proves productive) on P. & N.G. Leases totaling approximately 12,701 acres, geologised by the noted Dr. Charles C. Coulter, lying in Tp. 30, Rges. 1 and 2, W. 4th M., in the Antelope Hills district, in which are located B.A.-Alliance wells No. 1 and No. 2.
   (a) Well No. 1, which is drilled to 3,940 feet to the first porous horizon in the Devonian, is now ready for testing. Alliance will receive 65% of the net profits on this well.
   (b) In Well No. 2, which is drilled and cased to 670 feet, Alliance will receive $15,000.00 from 50% of the net production, after which it will receive 20% of the net profits.
2. 15% of the net profits (which is equivalent to Alliance owning one well in every seven which prove productive) on Reservation No. 484, consisting of 19,600 acres located in Tps. 20 and 21, Rges. 1 and 2, W. 4th M., on a structure also geologised by Dr. Coulter and which is now owned by the British Alberta Petroleums Ltd. (subsidiary of the British American Oil Co. Ltd.), who will carry out a seismic survey as soon as weather conditions permit.
3. 6% of the net profits on Reservation No. 445, comprising 19,840 acres, being the southern portion of Tp. 32, Rge. 14, W. 4th M., near Hanna. A seismic survey of this area has been made.

THE ABOVE PROPERTIES, TOTALLING 52,141 ACRES, ARE OWNED AND WILL BE OPERATED BY THE BRITISH AMERICAN OIL CO. LTD.

May 18, 1948 ALLIANCE OILS LIMITED

This advertisement is published for information purposes only.

Saskatchewan To Use Formula To Value Oil Surface Rights

From Our Own Correspondent

REGINA — New regulations governing surface rights compensation to Saskatchewan land owners for use of their land for oil drilling were put into effect May 15 by the provincial government.

Compensation in future will be determined by a formula which takes into consideration the assessed value of land on which a well is drilled, and the location of the well in relation to main roads. Allowance will be made for higher operating costs, general nuisance and inconvenience caused by the presence of a well on the property owner's farm.

The formula is designed to offset delays in well-drilling operations caused in the past by disagreement and time spent in resulting arbitration. At the same time, it is expected to provide a fairer and more just compensation to the farmer.

Actual payment is made in two forms, the first being payment of capital damages to cover actual destruction of soil, plus compensation for higher operating costs; and the second, an annual rental for use of the lands by well operators, plus compensation for general nuisance and inconvenience.

In cases where either the farmer or operator is not agreeable to the compensation provided by the formula, the matter may be submitted to an arbitration board appointed by the ministers of natural resources and agriculture and the attorney-general.

Louvicourt Goldfield C Zone Opening Well

Work on the 375-ft. level at Louvicourt Goldfield Corp. has opened C zone for 232 ft., with muck samples from 182 ft. averaging $7.35, Managing Director W. E. Bennett states. Drift is approximately 6.5 ft. wide but as the vein could be mined over 4 ft., the value should be proportionally higher. Good ore is still evident in both faces.

Additional ore hopes are expected to be found within limits of present workings but considerable close drilling will be required, Mr. Bennett adds. Two holes recently completed to the south from the north drift on bottom level, probing for extension of A zone, gave $9.45 over 9 ft. and $11.90 across 12.5 ft.

April production of $53,844 was highest on record and a further increase was expected for May.

RANDONA QUEBEC MINES has completed arrangements for 10,000 ft. of diamond drilling on its 11-claim group in Rouyn-Noranda district. Holes are being sited to follow recommendations of Dr. S. E. Malouf and R. J. Dionne, consulting engineers, who have completed a report on the claims. Nine of the claims are located in Dufresnoy twp., and two in Rouyn twp., but all form one block. The company completed a magnetometer survey and 16,000 ft. of drilling in 1945 and 1946.

Plan Aerial Survey For Labrador-Quebec

Areas covering some 21,700 sq. miles of northern Quebec and Labrador are to come under air survey of Photographic Survey Co., Toronto, The Financial Post is advised. By far largest of contracts calls for photographing 19,650 sq. miles south of Fort Chimo, Que., for the Federal Department of Mines & Resources.

Contracts covering remaining 2,000 sq. miles are with three mining companies, who are undertaking the project on a co-operative basis. Quebec-Labrador job will cover 1,000 sq. miles with 600 sq. mile survey for Fort Chimo Mines and 450 sq. miles for Fenimore Mines. Four aircraft will be used to service the contracts, planes operating out of Fort Chimo and Knob Lake.

INTERNATIONAL URANIUM MINING CO. is sinking an internal shaft from third to fourth level and from that point to termination at fifth level. Winze is going down at a point where strong indications and actual occurrences of pitchblende have been reported for 200 ft. in drifting on third level. The drift is to be extended to east, and lateral work will also be done on fourth level, when reached. Two shoots of uranium-bearing vein matter have been opened on third level, and their downward extension is being sought. Assaying of uranium occurrences has not been completed, but higher Geiger readings have been reported.

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1948 EDITION
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Names of officers and directors.
Balance sheet; earnings statements for three years.
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The Provincial Roundup

British Columbia

Yale Goes CCF: Yale constituency made history this week, by electing a CCF candidate to Parliament. With returns incomplete, due to flood conditions in outlying areas, O. I. Jones, Kelowna furniture dealer, was conceded election over E. J. Chambers, Liberal, and W. A. C. Bennett, Progressive Conservative, who were running neck and neck, more than 3,500 votes behind the leader. Since 1871, Yale had been consistently Conservative, except for the period 1896 to 1908. This week's outcome strengthened CCF hopes for a second victory in Vancouver Centre, where a by-election is scheduled for June 8.

Flood Emergency "Grave" With the Fraser Valley and the lower B.C. mainland ravaged by the worst floods in their history, Premier "Boss" Johnson this week proclaimed a state of emergency throughout the province; authorized military authorities to call out all troops in the province. At the week end, Vancouver was cut off from rail communication with the east for the first time since a railway line had spanned the continent.

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Alberta

New Taxes?: If Alberta had an election this year — and few doubted that it would — provincial pari-mutuel and amusement taxes might be a plank in the Social Credit platform. Premier E. C. Manning, while "definitely disappointed" in the federal budget, was silent as to whether the province would take over the imposts which Ottawa was abandoning. He saw little benefit to Canadians in general, and to Albertans in particular, in the Abbott program for 1948-49.

Subsidize Education?: With enrollment of ex-servicemen at its peak, two days were required for convocation ceremonies at University of Alberta, as approximately 900 graduates received degrees and diplomas. Total 1947-48 enrollment was 6,913; and a sharp decline was forecast for 1948-49. Necessity for increasing fees next September, and increasing living costs, spotlighted the question of subsidized education for deserving students, President Dr. Robert Newton stated, stressing that the university's current budget had risen from $1,089,000 to $3,080,000 in seven years. New courses projected for next year, include engineering studies in relation to irrigation, geology, coal and petroleum mining.

Repair Flood Damage: Spring flood damage in the province was well over the $2 million mark, authorities estimated, budgeting $1,725,000 for repairs to highways and bridges alone. The province will expend $925,000 directly, and will allot $800,000 to municipalities, to cover damage to roads under their jurisdiction. Deputy Minister of Public Works G. H. N. Monkman reported 22 grading outfits, 12 bridge crews, and numerous other groups, already in the field on repair work. (Saskatchewan estimated highway damage at $1 million; allocated $250,000 to municipalities, which was expected to cover half their repair costs).

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Saskatchewan

Will Aid University: The CCF government agreed to liquidate a deficit of $450,000, incurred by the University of Saskatchewan up to the end of the present term; but asked the university governors "to examine their financial structure, with a view to operating on a cash basis in future." Increase in the deficit, from $54,000 in 1946, was attributed largely to "abnormal" enrollment of ex-servicemen. The university recently announced an increase in some fees for 1948-49, expected to boost revenues by $200,000 yearly; but this was expected to be largely absorbed in meeting salary increases, and higher costs of supplies and equipment.

Speed $600,000 Bridge: A 30-year hope was coming true at last, in the form of a $600,000 bridge across the South Saskatchewan river at Saskatchewan Landing, 35 miles north of Swift Current. The province plans to proceed with the project, "despite conditions imposed by the federal government," Highways Minister J. T. Douglas (no relation to Premier T. C. Douglas) announced. Approximately $265,000 of the total required for the project, has already been raised through a bond issue, and tenders will be called soon, Douglas stated.

Regina Fares Up: One of the last five-cent car fares in Canada vanished this week, as Regina's municipally-owned street railway upped its rates: 10 cents for a cash fare, tickets four for 25 cents, instead of five, as in the past, or 18 for $1, instead of 21. The system expected an additional monthly revenue of $8,400 from the increase, but was still budgeting for a deficit of $124,000 on 1948 operations.

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Manitoba

Match Hospital Aid: Manitoba will match, dollar for dollar, the federal contribution to hositalization in this province, Premier Garson pledged: "We are fortunate that our hospital planning is all done, and that we are therefore in a position to enter into a formal contract, as soon as the Dominion Government is ready to execute one." The federal offer would guarantee the province $1,000 a bed for additional hospital accommodation established for active treatment; $1,500 a bed for chronic or convalescent cases.

Whaling at Churchill: The province's seaport town of Churchill expected to be the site of Canada's first Arctic whaling industry this summer, as the result of plans launched by Adamac Fish Products Ltd. (president, W. J. Ward, former Liberal M.P. for Dauphin). Arrangements have already been made to acquire a site on the outskirts of the town, and equipment will be moved there, as soon as spur trackage facilities are laid. Promoters hoped for a daily haul of at least 10 (a seasonal total of 500) of the white whales which appear in large numbers near the mouth of the Churchill River; planned to process the oil for delivery to Britain, the hides for leather, and the meat as feed for poultry and fur farms.

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Ontario

Monday's the Day: A total of 290 candidates champed at the bit this week, awaiting the starting signal in the provincial election next Monday. Progressive Conservatives and Liberals each had a full entry of 90 starters; CCF 81; Social Credit (under that name or as Union of Electors) 15; Labor Progressive two; with a handful of variously-hyphenated independents. The field was smaller by 28 than in 1945, a direct reflection of Communist strategy. In 1945 the Reds had had 31 candidates in the field; this year they were contesting only what they considered their two safest bets, the Toronto ridings of St. Andrews and Bellwoods. In 83 of the province's 90 constituencies, three or more candidates were in the field; Toronto's St. David headed the list with six. In Sudbury, R. H. Carlin, former MPP repudiated by the CCF for alleged association with Communists, was in the field as an independent CCF candidate; a move which threatened to split the labor vote.

Joint Power Project: A joint hydro-electric development between Ontario and Manitoba is under consideration, Premier George A. Drew confirmed on the eve of the provincial election; said this project, coupled with Ontario's $600 million Hydro construction and frequency changeover program, would bring new industry and a boon to farmers throughout the province. Any interprovincial development agreed upon, Drew stressed, would be in Ontario, although close to the boundary; informed quarters hinted at the English River, flowing from Lake of the Woods into Manitoba.

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Quebec

Name Election Date?: Premier Maurice Duplessis might let the provincial election cat out of the bag next Sunday, when he officiates at the opening of the bridge between Trois Rivieres and Cap de la Madeleine; although some informed sources predicted he would wait until after next Monday's provincial vote in Ontario. General expectation was that the vote would come before the national Liberal convention, scheduled for early August. Statisticians pointed out that Duplessis' two previous election victories (in 1936 and 1944) had both been won in August.

Universities Need Aid: Canadian universities "cannot maintain their present standards unless they receive a great deal more money," Principal F. Cyril James of McGill University, told associates of that institution, appealing to individuals and corporations for more generous gifts:

"Corporations would do much more than they now are doing if they assumed the full measure of the social responsibility they have inherited from the great industrialists and financiers who were their predecessors."

Dr. James said the educational cost per student at McGill had quadrupled in the last 50 years; the university's fees were now the highest in Canada.

"It is apparent," he said, "that many youngsters of great ability are prevented from coming to us by financial limitations. If we are to increase fees above the present level, we must have a larger number of scholarships than are now available."

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Nova Scotia

Big Power Project: Contract for construction of the Nova Scotia Power Commission's new dams and powerhouse on the Mersey River, designed to produce 40 million kilowatt hours yearly, has been awarded to the Atlas Construction Co. of Montreal, Premier Angus L. Macdonald, Commission chairman, announced. The new development, scheduled for completion by October, 1949, includes a 400-ft. concrete dam across the river about three miles above Milton, and an earth dam some 2,600 ft. long, across Deep Brook, a tributary of the Mersey. A canal of about 1,500 ft. will carry water from the river to the head pond on Deep Brook.

The powerhouse at Deep Brook will house a 9,000-kilowatt generating plant, including two 6,000 h.p. Kaplan type hydraulic turbines, operating at a head of 47 ft. The project is one of three Commission plants now under construction, the others being a steam generating plant at Stellarton and a hydro plant at Dickie Brook, Guysboro county.

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New Brunswick

50-50 Chance?: Progressive Conservatives stand "a 50-50 chance" in the provincial election June 28, their leader, Hugh Mackay, predicted at a Queen's County nominating convention in Gagetown; said he saw little hope for tax relief under the present government, and branded the Health and Social Services Department "a scandal." "What has been done is all for votes," he charged. "We will spend the money with some degree of commonsense." (Party standing in the legislature at dissolution, was Liberals 36, Progressive Conservatives 11, independent one; but the new House will have four additional members. Liberals, under A. A. Dysart and later under J. B. McNair, have held power in the province since 1935).

Auspicious for Spuds: Potato shipments from this province to foreign and domestic markets are nearly 1,000 carloads ahead of the same date last year, and weather conditions favor a continuation of the trend, G. C. Cunningham, director of the potato marketing service of the Agriculture Department, reported. He predicted increased acreage, and a heavy changeover from table to seed stock, in view of the encouraging demand for the 1947 crop; foresaw "a heavy and profitable export market, not merely in Latin America, but in most countries of the world." (Last year potato growers got off to a good start in May, but prolonged wet weather later, delayed planting in some areas, until the last week of June).

Prince Edward Is.

Few Unemployed: June dawned on a brighter employment picture, across the Island, with many, jobless throughout the winter and spring, now finding work on farms and in the lobster fishing industry. Carpenters were at a premium in Charlottetown; and in most other lines, the list of job-seekers was low.

Ferry Headache Lingers: The long-awaited CNR car ferry Abegweit was in operation at last, but there were still "bugs" to be ironed out. Island truckers and MP's joined in protesting alleged reluctance by the railway, to provide planking for the rail deck of the ferry. The result, they said, was that any trucks too large to use the auto deck, must be loaded on flat cars and pay a considerable fare for the 9-mile crossing. If the rail deck were planked they could drive on and off when the space was not taken up by railway cars.

Switch Back to Coal: Due to rising cost of fuel oil, the Maritime Electric Co. was changing its oil-fired boiler back to a coal basis. The unit was installed only last year and a changeover from coal to oil was made at that time. In its 1948 program of expansion, the company is installing equipment which can be modified for either fuel, within a week.

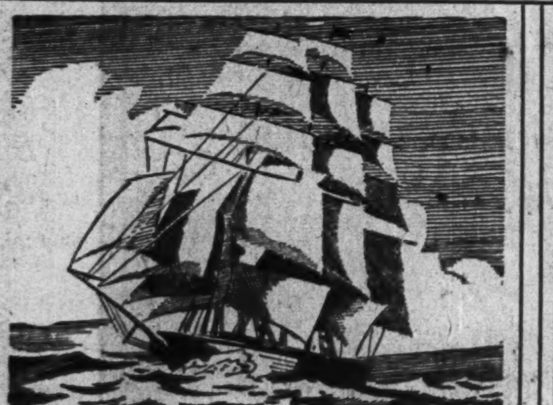
A Bermuda Cove

Larry-
You both must come to Bermuda! Walter and I have never been so happy . . . so many beautiful walks along flower-bordered lanes and those acres of gorgeous flowers. The Bermuda moon is magical for outdoor dancing, so bring your dinner clothes. We're golfing every morning and basking in the sun through all our afternoons—it's really the holiday of a lifetime... Let us know whether you're coming by boat or plane.
As ever,
Dorothy

For new illustrated booklet, write The Bermuda Trade Development Board, 372 Bay Street, Toronto, Canada. Currency restrictions do not affect a Bermuda vacation.

EVERYTHING IS BETTER IN Bermuda

B-128



Trade Winds....

From 1828 to 1948 is a long span. Since those early days when Trade Winds carried the stout sailing ships to all parts of the world in search of goods and raw materials, the firm of Knowles & Foster, Merchant Exporters and Importers, has formed a valuable link between manufacturer and consumer.

With our own Houses in Brazil and Agents of long standing and integrity in other parts of the world, we can relieve you, the Canadian manufacturer, of all the worries of exchange controls, currency restrictions and import and export regulations inherent to the export trade. The experience gained during 120 years of business life is freely at your disposal.

Of particular importance is the method by which we transact business. We pay for your goods in Canadian dollars.

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